

service on the Crow Indian Reservation in Montana, requesting that collection of irrigation maintenance charges be deferred to a later date; to the Committee on Indian Affairs.

10165. By Mrs. McCORMICK of Illinois: Petition bearing the signatures of 40,000 citizens of Chicago, Ill., praying for the immediate payment in cash of the soldiers' bonus certificates; to the Committee on Ways and Means.

10166. By Mr. MANLOVE: Petition of Harry Brown, John L. Evans, and 49 other residents of Schell City, Mo., favoring the regulation of busses and trucks in the use of the highways; to the Committee on Interstate and Foreign Commerce.

10167. By Mr. REED of New York: Petition of Portville, N. Y., Woman's Christian Temperance Union, indorsing House bill 9986; to the Committee on Interstate and Foreign Commerce.

10168. By Mr. RICH: Petition of citizens of Williamsport, Pa., favoring House Joint Resolution 356, known as the Sparks-Capper alien bill; to the Committee on the Judiciary.

10169. By Mr. SELVIG: Petition of Ada (Minn.) Cooperative Creamery Association, supporting the Brigham bill, H. R. 15934, for the control of colored oleomargarine; to the Committee on Agriculture.

10170. Also, petition of Argyle (Minn.) Cooperative Creamery Association, urging enactment at this session of Congress of the Brigham bill, H. R. 15934; to the Committee on Agriculture.

10171. By Mr. SPARKS: Petition of 61 citizens of Beloit, Kans., urging the support of the Sparks-Capper stop alien amendment, being House Joint Resolution 356, to exclude aliens from the count of the population for apportionment of congressional districts; to the Committee on the Judiciary.

10172. Also, petition of the Woman's Christian Temperance Union, of Zurich, Kans., for the Federal supervision of motion pictures as provided in the Grant Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10173. Also, petition of Kansas Yearly Meeting of Friends, representing 233 members, of Northbranch, Kans., for the Federal supervision of motion pictures as provided in the Grant Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10174. Also, petition of the Woman's Christian Temperance Union, of Almena, Kans., for the Federal supervision of motion pictures as provided in the Grant Hudson motion picture bill, H. R. 9986; to the Committee on Interstate and Foreign Commerce.

10175. By Mr. STRONG of Kansas: Petition of 71 citizens of Delphos, Kans., urging passage of the Sparks-Capper stop alien representation amendment; to the Committee on the Judiciary.

10176. By Mr. SUMMERS of Washington: Petition signed by Mrs. Roy Smith and 14 other citizens of Yakima, Wash., urging support of the Sparks-Capper stop alien representation amendment (H. J. Res. 356); to the Committee on the Judiciary.

10177. Also, petition of V. C. Sorensen and 17 other citizens of Lyle, Wash., urging support of the Sparks-Capper stop alien representation amendment (H. J. Res. 356); to the Committee on the Judiciary.

10178. By Mr. SWANSON: Petition of Mrs. Jean Tittsworth and others, of Avoca, Iowa, favoring an amendment to the Constitution whereby apportionment in the House of Representatives would be determined without regard to alien population; to the Committee on the Judiciary.

10179. By Mr. WOLFENDEN: Petition of J. M. Norris and others, of Chester, Pa., urging support of proposed Sparks-Capper stop alien representation amendment; to the Committee on the Judiciary.

10180. Also, petition of Charlotte E. Maxwell and 20 others, of Oxford, Pa., urging support of proposed Sparks-Capper stop alien representation amendment; to the Committee on the Judiciary.

## SENATE

WEDNESDAY, FEBRUARY 25, 1931

(Legislative day of Tuesday, February 17, 1931)

The Senate met in executive session at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate, as in legislative session, will receive a message from the House of Representatives.

### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed the joint resolution (S. J. Res. 3) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, with an amendment, in which it requested the concurrence of the Senate.

The message returned to the Senate, in compliance with its request, the engrossed bill (H. R. 7639) to amend an act entitled "An act to authorize payment of six months' death gratuity to dependent relatives of officers, enlisted men, or nurses whose death results from wounds or disease not resulting from their own misconduct," approved May 22, 1928.

### CONSERVATION OF PUBLIC HEALTH

Mr. RANDELL. Mr. President, when the Senate met yesterday I announced that I would seek recognition to address the Senate to-day on the subject of how to conserve public health, the most imperative duty confronting mankind. Inasmuch as we have an executive session to-day as the order of business, I now wish to announce that I shall ask recognition to-morrow for that purpose.

GEORGE WASHINGTON BICENTENNIAL COMMISSION (S. DOC. NO. 302)

As in legislative session,

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for expenses of the District of Columbia George Washington Bicentennial Commission, fiscal year 1931, to remain available until June 30, 1932, amounting to \$100,000, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

INTERNATIONAL EXPOSITION OF COLONIAL AND OVERSEAS COUNTRIES, PARIS, FRANCE (S. DOC. NO. 303)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Department of State, fiscal year 1931, to remain available until expended, amounting to \$50,000, for an additional amount for the expenses of participation by the United States in the International Exposition of Colonial and Overseas Countries, to be held at Paris, France, in 1931, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM OF H. W. BENNETT (S. DOC. NO. 304)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, a supplemental estimate of appropriation for the Department of State, fiscal year 1931, amounting to \$400, for payment of an indemnity to the British Government on account of losses sustained by H. W. Bennett, a British subject, which, with the accompanying paper, was referred to the Committee on Appropriations and ordered to be printed.

CLAIM FOR DAMAGES TO PRIVATELY OWNED PROPERTY (S. DOC. NO. 301)

The VICE PRESIDENT laid before the Senate a communication from the President of the United States, transmitting, pursuant to law, an estimate of appropriation submitted by the Department of the Interior to pay a claim for damages to privately owned property in the sum of \$49, which had been considered and adjusted under the provisions of law



and requiring an appropriation for its payment, which was referred to the Committee on Appropriations and ordered to be printed.

#### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution adopted by Hope Council, No. 1, Sons and Daughters of Liberty, of Washington, D. C., favoring the passage of the so-called Johnson joint resolution providing stringent restriction of immigration, which was referred to the Committee on Immigration.

Mr. GILLET presented resolutions adopted by the Round Table on International Relations of the Middlesex (Mass.) Women's Club, favoring the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

Mr. TYDINGS presented petitions of members of the Women's Guild of the Memorial Methodist Episcopal Church and sundry citizens of Baltimore and vicinity, in the State of Maryland, praying for the prompt ratification of the World Court protocols, which were referred to the Committee on Foreign Relations.

He also presented petitions and papers in the nature of petitions from numerous organizations and citizens in the State of Maryland, praying for the passage of legislation for the stringent restriction of immigration, which were referred to the Committee on Immigration.

He also presented petitions of several Polish organizations in the city of Baltimore, Md., praying for the passage of legislation appropriating \$5,000 for a marker in memory of Gen. Casimir Pulaski, which were referred to the Committee on the Library.

#### IMPORTATION OF PULP AND PULP PAPER

Mr. JONES. Mr. President, as in legislative session, I ask that the telegram which I send to the desk may be read and referred to the Committee on Finance.

There being no objection, the telegram was referred to the Committee on Finance, and it was read, as follows:

PORT ANGELES, WASH., February 25, 1931.

Senator W. L. JONES,  
Washington, D. C.:

Just received advice that the Kendall bill has passed the House of Representatives with clause No. 2 eliminated, which brings under the provision of the bill goods available from foreign countries from which they may be lawfully imported. With this clause eliminated the bill permits the importation of pulp and paper from Soviet Russia. This will be ruinous to the most important and thriving industry in the Northwest. Without this clause reinstated the pulp and paper industry is better safeguarded without the passage of such bill at all.

THOS. T. ALDWELL,  
President Port of Port Angeles.

#### IMPORTATION OF FOREIGN OIL

As in legislative session,

Mr. CAPPER. Mr. President, I send to the desk and ask to have read a telegram from the Farmers' Union of Kansas in opposition to the importation of oil.

There being no objection, the telegram ordered to lie on the table and was read, as follows:

WINFIELD, KANS., February 24, 1931.

Senator ARTHUR CAPPER:

At a regular meeting the Bethel Farmers' Union resolved that it was the sense of the meeting that our Representatives and Senators at Washington be requested to support the Capper-Garber resolution for embargo against the importation of foreign oil, as its prompt passage is important and a delay would be disastrous to this community.

F. M. GILTNER.  
FRANK YOLE.  
W. LOGAN.

#### REPORTS OF COMMITTEES

As in legislative session,

Mr. McNARY, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 7) to amend sections 4, 6, 8, 9, 10, 11, 12, 25, 29, and 30 of the United States warehouse act, approved August 11, 1916, as amended, reported it without amendment and submitted a report (No. 1775) thereon.

Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry, to which was referred the bill (S. 2350) providing for the improvement and extension of

the game breeding and refuge areas in the Wichita National Forest and Game Preserve in the State of Oklahoma and authorizing appropriations therefor, reported with an amendment and submitted a report (No. 1759) thereon.

Mr. HALE, from the Committee on Naval Affairs, to which was referred the bill (S. 4908) for the relief of certain officers of the Dental Corps of the United States Navy, reported it without amendment and submitted a report (No. 1760) thereon.

Mr. TYDINGS, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 5779. An act for the relief of Capt. Jacob M. Pearce, United States Marine Corps (Rept. No. 1761); and

H. R. 1449. An act for the relief of Paymaster Charles Robert O'Leary, United States Navy (Rept. No. 1762).

Mr. DAVIS, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

H. R. 752. An act for the relief of Wesley B. Johnson (Rept. No. 1763); and

H. R. 816. An act for the relief of Lieut. Commander Cornelius Dugan (retired) (Rept. No. 1764).

Mr. BROUSSARD, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3032. An act for the relief of Commander Francis James Cleary, United States Navy (Rept. No. 1766); and

H. R. 14680. An act to authorize the attendance of the Marine Band at the Spanish-American War veterans' convention at New Orleans (Rept. No. 1767).

Mr. METCALF, from the Committee on Naval Affairs, to which was referred the bill (S. 6218) granting permission to Harold I. June to transfer to the Fleet Reserve of the United States Navy, reported it without amendment and submitted a report (No. 1776) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 5867) to amend chapter 15 of the Code of Law for the District of Columbia, reported it without amendment and submitted a report (No. 1765) thereon.

Mr. HOWELL, from the Committee on Claims, to which were referred the following bills, reported each without amendment and submitted reports thereon:

H. R. 305. An act for the relief of Northern Trust Co., the trustee in bankruptcy of the Northwest Farmers Co-operative Dairy & Produce Co., a corporation, bankrupt (Rept. No. 1771); and

H. R. 7555. An act for the relief of Andrew Markhus (Rept. No. 1772).

Mr. BROOKHART, from the Committee on Claims, to which was recommitted the joint resolution (H. J. Res. 303) to amend Public Resolution No. 80, Seventieth Congress, second session, relating to payment of certain claims of grain elevators and grain firms, reported it with amendments and submitted a report (No. 1768) thereon.

Mr. GLENN, from the Committee on Claims, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

S. 3230. An act conferring jurisdiction upon the Court of Claims of the United States to hear, adjudicate, and render judgment on the claim of Hazel L. Fauber, as administratrix, C. T. A., under the last will and testament of William Harrison Fauber, deceased, against the United States, for the use or manufacture of inventions of William Harrison Fauber, deceased (Rept. No. 1770);

H. R. 1891. An act for the relief of Vincent Baranasies (Rept. No. 1769); and

H. R. 9245. An act for the relief of Davis, Howe & Co. (Rept. No. 1778).

Mr. CONNALLY, from the Committee on Finance, to which was referred the bill (S. 3924) for the relief of the First State Bank & Trust Co., of Mission, Tex., reported it without amendment and submitted a report (No. 1773) thereon.

Mr. BORAH, from the Committee on Foreign Relations, to which was referred the bill (S. 6173) authorizing an ap-



proprietor to defray the expenses of participation by the United States Government in the Second Polar Year Program, August 1, 1932, to August 31, 1933, reported it without amendment and submitted a report (No. 1774) thereon.

Mr. SHIPSTEAD, from the Committee on Printing, to which was referred the concurrent resolution (S. Con. Res. 39) providing for the printing of a manuscript entitled "Washington, the National Capital," reported it with amendments and submitted a report (No. 1777) thereon.

Mr. McKELLAR (for Mr. Fess), from the Committee on the Library, to which was referred the bill (S. 5546) to amend section 2 of Public Resolution No. 89, Seventy-first Congress, approved June 17, 1930, entitled "Joint resolution providing for the participation of the United States in the celebration of the one hundred and fiftieth anniversary of the siege of Yorktown, Va., and the surrender of Lord Cornwallis on October 19, 1781, and authorizing an appropriation to be used in connection with such celebration, and for other purposes," reported it without amendment and submitted a report (No. 1779) thereon.

#### BILLS INTRODUCED

As in legislative session,

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 6240) to prohibit the broadcasting of lotteries by radio; to the Committee on Interstate Commerce.

A bill (S. 6241) to provide for preliminary examination and survey to be made of Tillamook Bay and Entrance; and

A bill (S. 6242) for the improvement for fishing purposes of Siltcoos and Takenitch Lakes in the State of Oregon; to the Committee on Commerce.

By Mr. WAGNER:

A bill (S. 6243) for the relief of Zinsser & Co.; to the Committee on Military Affairs.

By Mr. HASTINGS:

A bill (S. 6244) exempting building and loan associations from being adjudged involuntary bankrupts; to the Committee on the Judiciary.

By Mr. SHEPPARD:

A bill (S. 6245) to amend section 29, Title II of the national prohibition act; to the Committee on the Judiciary.

By Mr. CAPPER:

A bill (S. 6246) providing for an appropriation toward the alteration and repair of the buildings of Eastern Dispensary and Casualty Hospital; to the Committee on the District of Columbia.

By Mr. NORBECK:

A bill (S. 6247) granting a pension to Emma Crow Dog Stewart (with accompanying papers); to the Committee on Pensions.

By Mr. SHEPPARD:

A bill (S. 6248) for the relief of Lieut. Col. Harry Walter Stephenson, United States Army, retired; to the Committee on Military Affairs.

#### AMENDMENTS TO SECOND DEFICIENCY APPROPRIATION BILL

As in legislative session,

Mr. HEFLIN. Mr. President, I have been requested by citizens interested to offer an amendment to the second deficiency appropriation bill. I ask to have it printed and lie on the table.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

The amendment intended to be proposed by Mr. HEFLIN to House bill 17163, the second deficiency appropriation bill, is as follows:

Hereafter the law for apportionment of positions in the Federal service at Washington among the States and the District of Columbia on the basis of population shall be enforced by all branches of the Government, the executive departments, commissions, boards, agencies, and Library of Congress as to appointments, promotions, and reductions, and employees shall be classified according to their civil-service status; and the Civil Service Commission shall include in its annual report to Congress each year a list of employees in both the apportioned and unapportioned service, segregated by States, showing where they work

and salary they receive; the Civil Service Commission shall also include in its annual report to Congress each year a list of new appointees and those who retire or are dropped, showing their residence and salaries. An officer or clerk who violates this act shall be removed from office.

Ex-service men and women and permanent civil-service employees, residents of States whose quotas are in arrears, who have been discharged because of reductions of force, shall be restored to duty as of date they were discharged, as much unemployment exists in all the States, and necessary reductions shall be made of residents of the District of Columbia, Virginia, and Maryland, or States whose appointments have been exceeded. Applications for restoration to duty shall be made within six months after passage of this law.

Mr. PHIPPS submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 41, line 6, to strike out the period and insert a colon and the following: "Provided, however, That nothing done in pursuance hereof or under the authority hereof shall be construed to initiate any water right or water priority or right to any appropriation of water whatever."

Mr. ASHURST and Mr. HAYDEN submitted an amendment proposing to appropriate \$53,000 to carry out the provisions of the act entitled "An act to authorize appropriations for construction at Tucson Field, Tucson, Ariz., and for other purposes," approved February —, 1931, fiscal years 1931 and 1932, intended to be proposed by them to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and be printed.

Mr. BARKLEY submitted an amendment proposing to appropriate \$100,000 for the erection of a suitable monument to the memory of the first permanent settlement of the West, at Harrodsburg, Ky., etc., intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and be printed.

Mr. NORRIS submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and be printed, as follows:

Under the title "Department of the Interior," insert at the bottom of page 45 the following:

#### "BUREAU OF RECLAMATION

"North Platte project, Nebraska-Wyoming: For the purpose of enabling the Secretary of the Interior to construct rural trunk transmission lines, including necessary transformers, into farm settlements, communities, and municipalities within the North Platte irrigation project, the inhabitants of which are able to finance feeder or distribution systems and to guarantee to the power system a fair measure of profit, not to exceed \$30,000 shall be available from the power revenues of the Lingle and Guernsey power plants, North Platte irrigation project."

Mr. REED, on behalf of the Committee on Finance, submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 12, after line 7, to insert:

"The salary of the Director or of the Acting Director, United States Veterans' Bureau, is hereby fixed at the sum of \$12,000 per annum, effective as of July 23, 1930, for any period or periods during which said director or acting director functions or has functioned as such."

Mr. SMOOT submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed, as follows:

On page 12, after line 7, to insert:

"For carrying into effect the provisions of section 3 of the act entitled "An act to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes," approved —, 1931, \$20,877,000, fiscal year 1931, to remain available until expended."

Mr. TYDINGS submitted an amendment proposing to appropriate \$10,000 to enable the Committee on Printing of the Senate to have printed and bound the documentary evidence, statistics, and other data submitted to the Senate by the National Commission on Law Observance and Enforcement.



ment in response to the request of the Senate, etc., intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and be printed.

Mr. WAGNER submitted an amendment intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and be printed, as follows:

On page 136, after line 16, to insert:  
 "Plattsburg Barracks, Plattsburg, N. Y.: To carry out the provisions of the act entitled 'An act to authorize appropriations for construction at Plattsburg Barracks, Plattsburg, N. Y., and for other purposes' approved February —, 1931, fiscal years 1931 and 1932, \$150,000."

He also submitted an amendment proposing to appropriate \$1,500,000 to carry out the provisions of an act entitled "An act to provide for the establishment of a national employment system, and for cooperation with the States in the promotion of such system, and for other purposes," etc., intended to be proposed by him to House bill 17163, the second deficiency appropriation bill, which was ordered to lie on the table and to be printed.

#### AMENDMENT OF THE COPYRIGHT ACTS

As in legislative session,

Mr. WAGNER submitted an amendment intended to be proposed by him to the bill (H. R. 12549) to amend and consolidate the acts respecting copyright and to permit the United States to enter the Convention of Berne for the Protection of Literary and Artistic Works, which was ordered to lie on the table and to be printed.

#### COPYRIGHT REGISTRATION OF DESIGNS

As in legislative session,

Mr. KING submitted an amendment intended to be proposed by him to the bill (H. R. 11852) amending the statutes of the United States to provide for copyright registration of designs, which was ordered to lie on the table and to be printed.

#### PRINTING OF PRAYERS OF THE SENATE CHAPLAIN

As in legislative session,

Mr. MOSES submitted the following resolution (S. Res. 469), which was referred to the Committee on Printing:

*Resolved*, That the prayers offered by the Rev. ZēBarney T. Phillips, D. D., Chaplain of the Senate, at the opening of the daily sessions of the Senate during the Seventieth and the Seventy-first Congresses be printed as a Senate document.

#### INVESTIGATION OF PRODUCTION COSTS OF DEAD OR CREOSOTE OIL

As in legislative session,

Mr. COPELAND submitted the following resolution (S. Res. 470), which was ordered to lie on the table:

*Resolved*, That the United States Tariff Commission is hereby directed to investigate under section 332 of the tariff act of 1930 the difference in the costs of production and delivery to the principal market or markets of the United States during the calendar years 1928, 1929, and 1930 of dead or creosote oil provided for in paragraph 1651 of the tariff act of 1930, when produced in the principal competing country and a like or similar article produced in the United States, and to report thereon to the Senate as soon as practicable.

*Resolved further*, That if this investigation discloses that the domestic cost of production exceeds the cost of production abroad in the principal competing country, the commission shall include in its report a statement as to the rate or rates of duty necessary to equalize said cost difference based on the American selling price as defined in section 402 (g) of the tariff act of 1930.

#### CONTINUING EMPLOYMENT OF A NIGHT WATCHMAN

As in legislative session,

Mr. WATSON submitted the following resolution (S. Res. 471), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That Senate Resolution No. 269, agreed to June 2, 1930, authorizing and directing employment of a night watchman by the Secretary of the Senate, to be paid out of the contingent fund of the Senate, hereby is continued in full force and effect until otherwise provided by law.

#### ADJUSTED-SERVICE CERTIFICATES

As in legislative session,

Mr. VANDENBERG. Mr. President, on yesterday I called to the attention of the Senate the fact that on Monday morning John E. Edgerton, president of the National Asso-

ciation of Manufacturers, had issued a statement in which he declared that the pending veterans' compensation program would "inevitably result in larger tax burdens and retard, if not completely hinder, business recovery." I immediately sent him a telegram and asked how the pending legislation would produce inevitable tax burdens and hinder business recovery. To-day I have his answer, and I think in fairness to him it should be printed in the RECORD.

I want to call this much attention to it in detail. He now urges general objections to the legislation, which, of course, it goes without saying that he is entitled to do. So far as the specific facts in our controversy are concerned, he offers only two exhibits as supporting the original suggestion that this inevitably would result in a larger tax burden. I assume, therefore, that these are the only exhibits available. The first exhibit is the alleged adverse effect upon the general market by avoidable public financing at this time. I think this is completely answered by the fact that the Treasury is proposing to anticipate by one full year over a billion dollars of public financing within the next three weeks.

The other exhibit relates solely to the cost of administration, and he himself admits that this will not "be very great." As a matter of fact, it is a relatively negligible item which is more than offset by subsequent savings in cost of administration during the next six years when the bureau is relieved from making year-to-year loans up to 50 per cent in dribbles.

Mr. REED. Mr. President, will the Senator yield?

Mr. VANDENBERG. Certainly.

Mr. REED. I only want to call the Senator's attention to the fact that the Treasury Department was committed to the payment of that \$1,100,000,000 of Treasury notes by notice given last September. Under the term of the notes notice had to be given six months in advance.

Mr. VANDENBERG. But this refinancing does not arise out of veterans' certificates. Completing the exhibit I now ask that my telegram and Mr. Edgerton's reply be printed in the RECORD. I submit to the Senate's judgment whether Mr. Edgerton has justified his notice to the country that the pending veterans' legislation will inevitably result in "tax burdens" which will "completely hinder" business recovery, or whether his extravagant warning is demonstrated to be without factual warrant. I am solely discussing these underlying facts. I ask for publication of the telegrams.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

FEBRUARY 23, 1931.

Your public statement this morning says that pending veterans' loan bill will inevitably result in larger tax burdens. Will you be good enough immediately to wire me how and why? I fear you are still thinking about original full cash-payment plan for which pending loan plan is a substitute. Do you know that the loan bill does not increase the actual values of compensation certificates by a single penny? Do you know that the bill only provides that the veterans shall borrow from their own insurance maturity funds appropriated during the last six years and now in the Veterans' Bureau in Government securities? Do you know that the Government can not lose even incidentally on the transaction because it will charge higher interest on these loans than it pays for its own money? Do you know that Senator Smoot said on the floor of the Senate last Saturday as follows: "I thought it was understood that there would be no financing at all necessary, but that the amount of money to the credit of all of the veterans, if the securities held in the Treasury of the United States to meet the certificates were disposed of at the present time, would be sufficient to pay whatever the legislation passed on Thursday would require. There is no doubt about that at all." Under these circumstances, do you not wish to withdraw your statement which misleads American business into believing that the pending loan law will burden it to its fatal detriment? Is not your statement itself a needless and unfortunate menace to business under these circumstances?

ARTHUR H. VANDENBERG,  
 United States Senator.

NEW YORK, N. Y., February 24, 1931.

Senator ARTHUR H. VANDENBERG,  
 Senate Office Building, Washington, D. C.:

On account of holiday yesterday and engagement away from office your wire of 23d did not reach me until late to-day. Hence was unable to reply by hour suggested by you. In my public statement touching veterans' loan bill the cost only was stated



as an objection, because that touches the interest of the largest number of people. There are other potent objections to the measure which are well known and which would make it unwise, we think, even if cost consideration were eliminated. But replying directly to your animadversions regarding cost, I had in mind the warning of Secretary Mellon that this bill would involve extensive and untimely financing and sale of Government bonds, in which process costs would accrue to the seller; also his letter of February 13 to Chairman HAWLEY, in which he said that "the important consideration is the amount of cash that can be obtained by the Treasury through borrowing without disorganizing the finances of the Government and adversely affecting the security market to which the Government must resort to cover its obligations." Furthermore, every law that is passed, whether good or bad, costs money to administer and adds to the cost of Government, and every cost of Government means eventually more taxes. In this instance the net cost might not be very great and would be justified fully if the relief promised by it were to be confined to those who need it. We believe that the dangers of abuse inherent in this type of legislation are too great to justify even small cost.

JOHN E. EDGERTON,

President National Association of Manufacturers.

#### DECLINATION OF BEQUEST TO UNITED STATES GOVERNMENT

Mr. GOFF. Mr. President, as in legislative session, I ask unanimous consent for the consideration of the joint resolution (S. J. Res. 112) concerning a bequest made to the Government of the United States by S. A. Long, late of Shinnston, W. Va., which was unanimously reported out of the Committee on Finance on yesterday. I desire to state, prior to the clerk being requested to read the joint resolution, that it involves merely the question of a bequest of \$5,000 by an old man in West Virginia to the United States Government. The Secretary of the Treasury has consented that the Government can properly refuse to accept the gift. The will was made under circumstances which do not indicate testamentary capacity. The matter having been reported out of the Finance Committee yesterday with no objection whatsoever, I now ask that the joint resolution be read, considered, and adopted. It should be passed, Mr. President, and I trust it will be.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Resolved, etc.,* That the bequest made to the Government of the United States by S. A. Long, late of Shinnston, W. Va., in his last will and testament dated August 27, 1927, and recorded in book 14, page 308, of the records of the county court of Harrison County, W. Va., be declined by the Government of the United States and that the estate of the said S. A. Long be forever discharged from any obligation to the United States growing out of said last will and testament.

#### CHANGE IN DATE OF INAUGURATION

Mr. NORRIS. Mr. President, as in legislative session, I ask the Chair to lay before the Senate the message from the House of Representatives relating to Senate Joint Resolution 3.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the joint resolution (S. J. Res. 3) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, which was to strike out all after the resolving clause and insert:

That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

#### "ARTICLE —

"SECTION 1. The terms of the President and Vice President shall end at noon on the 24th day of January, and the terms of Senators and Representatives at noon on the 4th day of January, of the years in which such terms would have ended if this article had not been ratified; and the terms of their successors shall then begin.

"SEC. 2. The Congress shall assemble at least once in every year. In each odd-numbered year such meeting shall be on the 4th day of January unless they shall by law appoint a different day. In each even-numbered year such meeting shall be on the 4th day of January, and the session shall not continue after noon on the 4th day of May.

"SEC. 3. If the President elect dies, then the Vice President elect shall become President. If a President is not chosen before the time fixed for the beginning of his term, or if the President elect fails to qualify, then the Vice President elect shall act as Presi-

dent until a President has qualified; and the Congress may by law provide for the case where neither a President elect nor a Vice President elect has qualified, declaring who shall then act as President, or the manner in which a qualified person shall be selected, and such person shall act accordingly until a President or Vice President has qualified.

"SEC. 4. The Congress may by law provide for the case of the death of any of the persons from whom the House of Representatives may choose a President whenever the right of choice devolves upon them, and for the case of the death of any of the persons from whom the Senate may choose a Vice President whenever the right of choice devolves upon them.

"SEC. 5. Sections 1 and 2 shall take effect on the 30th day of November of the year following the year in which this article is ratified.

"SEC. 6. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the States within seven years from the date of the submission hereof to the States by the Congress, and the act of ratification shall be by legislatures, the entire membership of at least one branch of which shall have been elected subsequent to such date of submission."

Mr. NORRIS. I move that the Senate disagree to the amendment of the House, ask for a conference on the disagreeing votes of the two Houses, and that the Chair appoint the conferees on the part of the Senate.

Mr. ROBINSON of Arkansas. Mr. President, pending the motion, will the Senator from Nebraska state the differences between the House amendment and the Senate provision?

Mr. NORRIS. There are some amendments which in my judgment are of slight importance. In the Senate we fixed the day for the beginning of the term of House and Senate Members as of the 2d of January and for the assembling of Congress as of the 2d of January. The House changes it to the 4th of January. We fixed the beginning of the term of the President as of January 15. The House fixes it as of January 24.

There are two new provisions in the House amendment. One gives to Congress the authority to declare who shall act as President in case the election is thrown into the Congress and the candidates or any of them from whom the Senate and the House must elect should die. Another one is the fixing of the date of final adjournment of the session of Congress on the 4th day of May. I think all the difficulties can be easily threshed out in conference.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Nebraska.

The motion was agreed to; and the Vice President appointed Mr. NORRIS, Mr. BORAH, and Mr. WALSH of Montana conferees on the part of the Senate.

#### EXECUTIVE MESSAGES AND APPROVALS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that on February 24, 1931, the President approved and signed the following acts:

S. 3277. An act to provide against the withholding of pay when employees are removed for breach of contract to render faithful service;

S. 5458. An act authorizing the State of Louisiana and the State of Texas to construct, maintain, and operate a free highway bridge across the Sabine River where Louisiana Highway No. 7 meets Texas Highway No. 87; and

S. 6041. An act to authorize an appropriation of funds in the Treasury to the credit of the District of Columbia for the use of the District of Columbia Commission for the George Washington Bicentennial.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hattigan, one of its clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 14922) to amend the acts approved March 3, 1925, and July 3, 1926, known as the District of Columbia traffic acts, etc.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3820) to amend section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916.



## ENROLLED BILLS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 1748. An act for the relief of the Lakeside Country Club;

S. 3060. An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes;

H. R. 9224. An act to authorize appropriations for the construction of a sea wall and quartermaster's warehouse at Selfridge Field, Mich., and to construct a water main to Selfridge Field, Mich.;

H. R. 14255. An act to expedite the construction of public buildings and works outside of the District of Columbia by enabling possession and title of sites to be taken in advance of final judgment in proceedings for the acquisition thereof under the power of eminent domain;

H. R. 15071. An act to authorize appropriations for construction at Plattsburg Barracks, Plattsburg, N. Y., and for other purposes; and

H. R. 15437. An act to authorize appropriations for construction at Tucson Field, Tucson, Ariz., and for other purposes.

## ENROLLED BILLS PRESENTED

Mr. PARTRIDGE, from the Committee on Enrolled Bills, reported that on to-day, February 25, 1931, that committee presented to the President of the United States the following enrolled bills:

S. 1748. An act for the relief of the Lakeside Country Club;

S. 3060. An act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes.

The Senate resumed executive business.

## NOMINATION OF EUGENE MEYER

The VICE PRESIDENT. The question is on the confirmation of the nomination of Eugene Meyer to be a member of the Federal Reserve Board. The Senator from Iowa [Mr. BROOKHART] has the floor.

Mr. BROOKHART. Mr. President, on yesterday I was explaining the flow of credit back to the big New York banks as due to the operation of the Federal reserve law. I did not blame the Federal Reserve Board for that condition. That is due to the law itself. I asked Mr. Eugene Meyer about the matter. He had no opinion about it; he knew nothing about it. The examination of that man developed the most remarkable case of ignorance I ever knew of when it comes to important things. On nearly every proposition, including the bill of the Senator from Virginia [Mr. GLASS] to tax speculative sales, he had no opinion whatever, he knew nothing about them and crawled away from them.

## DEFLATION

Mr. President, while there is no blame to attach to the Federal Reserve Board itself for the law, yet there are some policies of the board in its history to which blame must attach. The important one is the deflation policy of 1920. I think a reserve bank has no right ever even to consider a general policy of deflation. I think such a policy is always an economic crime. But, notwithstanding that fact, they did consider it in 1920.

Before we can decide about deflation perhaps we must see what caused the inflation. In this case there had been an inflation, and here is what I think was the principal cause of it: Early in 1919, after the war was over, the Federal reserve banks, at least of the Northwest, began issuing letters. I have seen any number of letters written to member banks in which it was said, substantially, "You are not taking advantage of your privilege as a member of the Federal reserve bank. Why do you not send in more paper and rediscount it and borrow more money and lend it out to your people at home to start new enterprises and enlarge old enterprises?" Bankers relied upon these letters. They had a right to rely upon them. They did send in more

paper and rediscounted it and borrowed more money and loaned it out, and thus did start some new enterprises and enlarged many old enterprises.

Then, after all of this had been done in the early part of 1919, in the latter part of 1919 there was a new rumbling started over in Wall Street. That rumbling was to the effect that we were overinflated, with too many Federal reserve loans, and that they must be reduced and deflated. It continued over until 1920, and finally the Federal Reserve Board took notice of it.

As I have said, they had no right to consider a general policy of deflation and here is my reason for that contention: There can be no inflation of reserve-bank loans unless the reserve banks approve those loans. They have a right at the beginning, when the member banks apply for the loans, to refuse them, and to turn them down because they would result in undue inflation; but after they have approved them they have no right then to turn around and, in a wholesale way, call those loans and destroy the enterprises that have been created by them. In this case there was not only that reason against deflation, but they had actually solicited these loans a year before. That is an added reason why they had no right to consider a deflation policy at that time. But, notwithstanding all that, they met on May 18, 1920.

We do not have to guess at what was said or done in that meeting. We have here the stenographic reports of every word uttered in it. There were present the Federal Reserve Board, the Class A directors, and the advisory council. The names of all the men who were in that meeting are printed in these minutes.

The meeting started with a speech by the Governor of the Federal Reserve Board, Governor Harding. In that speech he pointed out that the country was inflated; that there were too many Federal reserve loans, and that they must be reduced. Then he even put into the mouths of the directors of the Federal reserve banks the words they should say to the member banks in order to bring about deflation. On page 8 of these minutes he says:

Thus the directors of the Federal reserve banks are clearly within their rights when they say to any member bank: "You have gone far enough; we are familiar with your condition; you have got more than your share, and we want you to reduce; we can not let you have any more."

There is much more of the same tenor in this speech. Then, after the conclusion of the speech, the meeting unanimously adopted a resolution, which will be found on page 34 of the minutes, indorsing that speech as the policy of the meeting.

Then, Mr. President, they adopted another resolution; they did not stop with this one. On page 42 is found a resolution in accordance with the terms of which they appointed a committee to go to the Interstate Commerce Commission to ask for an increase of railroad rates.

Mr. President, I have listened to apologies for this meeting; I have heard it excused and defended by its strongest defenders; but when I have laid that railroad resolution down before them, no word of defense for that action has ever come to me.

I would have the Senate and the country think for just a moment about that situation. Think of a great board with greater economic power than any board ever had in the history of the world, greater than the combined economic power of the Kaiser and of the Czar in their palmiest days, meeting for the purpose of considering a general deflation of the country, and then at the same time proposing to inflate the railroads of the country by raising their rates!

## SECRECY

That is not all they did in this meeting, Mr. President. More than half of all the proceedings recorded in these minutes have to do with the proposal to force deflation by raising the discount rate so high that the member banks could not afford to pay it. That portion of the proceedings was in secret. I have here the release of the statements which were given to the Congress and to the press, and there is not one word about raising the discount rate for



the purpose of forcing deflation. When the meeting came to adjourn, Governor Harding said to them:

I would suggest, gentlemen, that you be careful not to give out anything about any discussion of discount rates. This is one thing there ought not to be any previous discussion about, because it disturbs everybody, and if people think rates are going to be advanced there will be an immediate rush to get into the banks before the rates are put up, and the policy of the Reserve Board is that that is one thing we never discuss with the newspaper man. If he comes in and wants to know if the board has considered any rates or is likely to do anything about any rates, some remark is made about the weather or something else and we tell him we can not discuss rates at all; and I think we are all agreed it would be very ill advised to give out any impression that any general overruling of rates was discussed at this conference.

Under that injunction of secrecy the meeting adjourned. I have asked about a million people if they knew about that policy at that time, and no hand has ever yet been raised in assent. The country at large did not know about it; the farmers did not know about it; the merchants did not know about it; the manufacturers did not know about it; the bankers, even some pretty big bankers, did not know about it. Three and a half years after this meeting was held I talked with the president of the American Bankers' Association at his office in Omaha, Nebr., and he did not know of it until the junior Senator from Nebraska [Mr. HOWELL] and I showed him the minutes of the meeting on that day.

#### LOANS TO BIG BUSINESS

Mr. President, while the ordinary banker and the ordinary business man knew nothing about this meeting, big business men knew about it. In defense of this action it has been stated to me that the question of discount rates ought always to be kept secret. I would concede that, if it could be kept secret for everybody alike; but, Mr. President, for instance, Armour & Co.'s banker was in that meeting, and the next day he was out after a loan for \$60,000,000 for Armour & Co. for 10 years, thus predicting a 10-year depression that was to follow the action contemplated by this meeting. Eight per cent was offered for that money, and Armour & Co. got it. They sold their paper all over the country, while the country was unaware of the purpose of that great loan. Some of it was sold in my State.

I know that a Representative in the Congress from my State bought \$2,000 of that 8 per cent 10-year Armour paper because he did not know what it all meant or what the purpose was. The paper was sold all over the country in that way; the loan was obtained in a very short time, and that during this period of secrecy. There was no open discussion of this deflation policy until October. Then they came out publicly, and let the whole public know they intended to force a deflation.

Swift & Co. got a loan of \$50,000,000 just a little later for the same purpose. The Sinclair Oil Co.—and all Senators have heard of that patriotic institution—got a loan for \$46,000,000; and they were forehanded; they got their loan a few days before the meeting was even held. I have here the testimony of Mr. Sinclair before the committee presided over by the then senior Senator from Wisconsin, Mr. La Follette—the elder La Follette—when he was investigating the oil business. I, myself, asked Mr. Sinclair why he got that loan at that time, and he said, substantially, that he got it to guard against the Federal Reserve Board's deflation policy. At that time they had no policy, so far as was known; they had not even held their meeting at that time to formulate a policy; yet Mr. Sinclair knew what the baby was before it was born. In that way, Mr. President, big business was informed of this policy, and big business went out and protected itself against the depression that would surely follow, by gathering in all the available credit there was in this country.

#### FURTHER INFLATION

Yes, Mr. President; even more than that was done. This meeting decided we were overinflated, that there were too many Federal reserve loans, and they must be reduced. Did they follow their own decision? No. When I first quoted that decision, they themselves came back at me and said they did not deflate at all, that they further inflated to the extent of several hundred million dollars.

Why was that done? Why did they disregard their own opinion and their own injunction? There is only one explanation which can be made for that act, and that is that they proposed to make it easier for the big business of the country to obtain the necessary credit to tide it over the depression that must follow.

After that was done, they came out publicly. This action was delayed until October, 1920, the meeting having been held on May 18, 1920. They held public meetings because now the big men were ready for deflation. Absolutely the only big man I know of that did not have this tip and did not act on it was Henry Ford. They seemed to be after Ford, anyway; he was then, at least, not playing the game according to Wall Street Hoyle. But in October, Mr. President, they came out and held public meetings. They held them all over the West; they held four of them in my State; they held them as far west as California.

#### DEFLATION MEETINGS

I was at the last of these meetings at Ottumwa, Iowa, where the representative of the Chicago Federal Reserve Board said to us something like this: "We have been awfully good to you out here in Iowa; we have loaned you \$91,000,000 in Federal reserve loans, when your loan allotment for the whole State was only \$36,000,000; but the time has now come when the people entitled to this \$55,000,000 excess that you have, want it; so you will have to sell your crops and reduce these loans."

Then, Mr. President, I got up and asked him, "Who made this allotment of \$36,000,000 to the State of Iowa of Federal reserve loans?" but he said he did not know. I have asked members of the Federal Reserve Board that question, but nobody knows. In fact, Mr. President, no such allotment was ever made. There was no authority in the law for any such allotment, and there is no sense in any such allotment. Iowa, even in these bad times and at these low prices, will produce \$600,000,000 worth of agricultural products net, and Iowa will produce five hundred million or six hundred million dollars of industrial products, because they are worth two or three times as much at the prices they get as agricultural products. Yet with this eleven or twelve hundred million dollars of original production in the State, the announcement was made we had an allotment of only \$36,000,000 of Federal reserve loans against all that production. The unfairness of it, the unsoundness of it, is apparent as soon as the facts are made known.

Mr. President, here is the way deflation was worked out so far as my section of the country was concerned: The banks, when they got this injunction from the Federal Reserve Board, sent for their customers. Another Member of the House of Representatives from Iowa, the most prosperous farmer in his county, feeding ten or twelve hundred head of cattle and having bought \$16,000 of Liberty bonds, was sent for by his banker, who said to him, "The Federal reserve is demanding a reduction of these loans." The Iowa farmer replied: "I can not reduce my loan now; my stuff is not ready to go to the market, and if I am forced to sell, it means a very great sacrifice." The banker said to him, "You have your Liberty bonds." He said, "Yes; I know that, but I did not buy those bonds to sell them; I bought those bonds for my children. I want to keep them as a permanent investment. I do not owe you much compared with the value of my cattle, and you are sure to get your money." But the banker said, "The Federal reserve is demanding a reduction of these loans," and under the threat of a suit, he was forced to sell those Liberty bonds at 87 cents on the dollar.

#### DEFLATION OF LIBERTY BONDS

As I told this story down in South Carolina a business man said to me, "I was forced to sell my Liberty bonds at 83 cents on the dollar." When I told it over in Tennessee, a business man said to me, "I was forced to sell my Liberty bonds at 80 cents on the dollar." When I told it over in Ohio, a business man said to me, "I was forced to sell my bonds at 78 cents on the dollar." There are people all over the country, and especially farmers, who were forced to, and did, sell those Liberty bonds as low as 80 cents on the dollar, because they went that low before the speculation ended.



How did they break down the Liberty bonds, the obligations of the Government of the United States itself? They raised the discount rate up to 7 per cent, as planned in that secret meeting; and when the discount rate is 7 per cent, the ordinary interest rate is about 9 per cent—about 2 per cent higher. When New York money will yield 9 per cent, a 4¼ per cent bond goes down below par, just as water runs downhill. Then the big men who had gathered in all this credit had money to buy bonds, and they bought them at these low figures. After they have bought them in, then they take a look into this high discount-rate proposition again, and they say it is unsound and that it ought to be reduced. Then it is reduced back down to 3, 3½, even down now to 2 per cent. Then the 4¼ per cent bonds come back up to par, and even go above par, and two or three billions of speculative profits are taken from the pockets of the common people of the United States who had bought those bonds for the life of the Government itself. Not all of the farmers had enough Liberty bonds to meet this demand, and that forced them to dump their livestock and their grain into the market in October and November of 1920, when the market was oversold anyhow, and when prices were nearly always depressed; and this extra pressure caused the greatest panic in farm prices in all the history of agriculture.

#### AGRICULTURE DEFLATED MOST

The Manufacturers' Record says it deflated agriculture \$32,000,000,000. Eighteen billions of that it places upon land values, and that is not far different from the Agricultural Department's own figure; and the other fourteen billion it places upon the two crops of 1920 and 1921. It says other business was deflated about eighteen billions more. If that be correct, agriculture was deflated about six times as much in proportion as the other business of the country, and that is because the deflation was timed to begin in October. In October the whole year's production of the staple crops of the farmers of the United States is ready for the market; and if the deflation occurred at that time, it deflated the whole 12 months all at once.

That is why and how this deflation could hit agriculture harder than the other business of the country. Besides, at that time agriculture is entitled to increased loans instead of a reduction.

Mr. President, Mr. Eugene Meyer did not approve this policy. That is one item in the examination where he seemed to know something. It is the only one of importance, I think, all the way through.

The Federal Reserve Board was directly responsible for that policy of deflation; and all of the eulogies of the Federal Reserve Board for all it has ever done are offset a hundred times by the damage that was done by this deflation policy. It was so drastic that it has been my estimate that it is 65 per cent of the cause of the farmers' troubles. I am aware that the Senator from Virginia [Mr. GLASS] and some others say this policy was not the cause of the decline in farm prices; but I quote from the speech of the Senator from Virginia in defense of the Federal Reserve Board, on page 13, and his figures are fatal to that argument. They corroborate exactly the story which I have told in the Senate to-day.

In January, 1920, cotton was worth 35.9 cents; wheat was worth \$2.32; corn, \$1.40; oats, 78 cents. In October, when the deflation began in earnest, cotton had already gone down from 35.9 cents to 25.5 cents, and wheat down from \$2.32 to \$2.14, corn from \$1.40 to \$1.21, and oats from 78 cents to 61 cents.

That was at the beginning of the open policy. By December cotton was down to 14 cents from 35.9 cents in January, and wheat down to \$1.44 from \$2.32, and corn down to 68 cents from \$1.40, and oats to 47 cents from 78 cents. So, when we get the inside facts as well as the outside facts, those figures of the distinguished Senator corroborate exactly what I have said about this deflation policy.

Mr. President, I made the statement that the causes of these depressions and of these discriminations against agriculture were due to laws of Congress. I have analyzed the

transportation act, and now I have analyzed the Federal reserve act and the deflation policy. I think those two are the biggest causes, but there are some other laws that have contributed to this situation. For the rest of those causes I want to name the tariff laws, the patent laws, and the corporation laws. I shall not take the time to analyze them separately, because their effects have been much in the same line.

#### TARIFF AND PATENT LAWS

The tariff law operates to give the protected industry the power to fix the price of its products at its factory without foreign competition. The patent law gives an absolute monopoly, and the patented manufacturer can fix the price of his product without any competition.

#### CORPORATION LAWS

The corporation laws are mostly State laws. The Federal Government has chartered few corporations except the national banks. Most of them get their charters from the States, and then enter interstate commerce; and, of course, interstate commerce is the biggest portion of our commerce. About 85 per cent of railroad transportation is interstate. These corporations combine a big volume of capital and then enter interstate commerce without any regulation except the antitrust law. There is nothing in the Federal laws that controls their profits or tells them in any way how much they shall charge the people for the privilege of being corporations created by the law.

A corporation has no existence but under the law; and I maintain that, since the law creates it, the law has the right to say to it what kind of a life it shall live, and what profits it shall charge the people for the privileges of combination that are given to it by the law.

#### FARM SURPLUSES

Along with that go the industries, patented and protected; but here is the farmer. The farmer has a little surplus. It is about 10 per cent of what he produces, on an average. It is about 50 per cent of cotton, about 20 per cent of wheat, less than 1 per cent of corn—and this year it is a good deal less than no per cent, because there is a shortage—and it is not more than 1 per cent of oats. It will average up, for all staple crops, about 10 per cent. The farmer is forced to sell that little surplus of his in the domestic market.

He sells his surplus first at home. He is forced to do that. If he borrows money to hold the crop, still, finally, when he sells it, he sells it in the home market. He is not financed in any way collectively to separate and segregate this exportable surplus from the domestic market, unless, as we shall see, that was modified to some slight extent by the Federal Farm Board.

Therefore, as he sells his surplus, it floods the market by the amount we will say on the average of about 10 per cent in a series of years; and that breaks down his tariff protection. He has tariff rates upon his products, too; but they are not effective for that reason. This surplus floods over them into the free-trade market of the world, and it is sold there in competition with all the world, and the price is fixed by that sale. Then that price is cabled back in a few minutes to the board of trade or the cotton exchange, as the case may be, and then the price of the farmer's whole product is fixed at substantially the same figure, less, however, the expense and freight of reaching the foreign free-trade market.

In that way the farmer has no voice in the price he pays for what he gets. That is fixed for him at the factory. On the other hand, he has no voice in the price he gets for what he sells. That is fixed for him by the sale of his surplus in the free-trade market of the world.

That is not true of the industries. When the big industries have a surplus, they are financed. They separate and they segregate it from the domestic market. It is never even offered for sale in the domestic market. That is true of steel products; it is true of aluminum products; it is true of practically every big industry that sells a surplus abroad. When the industries sell their surplus abroad, they get the best price they can; and usually they take



a lower price than they charge the people of the United States under a protective tariff or a patent law. That is unfair to agriculture; and agriculture can not be prosperous when the prices it pays and the prices it gets are fixed in that way.

We shall see a moment later about the effect of the Farm Board's actions upon that situation.

I have attributed about 25 per cent of the cause of our trouble to these tariff laws, patent laws, and corporation laws, operating in this way. I would attribute to them a bigger percentage than that at this particular time or at any other time that is not associated with the great deflation policy of 1920; but, as I see that policy, its cause was so great that it takes up a bigger percentage in the estimates.

#### POLITICS OF LAWS

Mr. President, with the exception of the State corporation laws, these are laws of the Congress for which the Congress and the Government of the United States are responsible. Who is responsible for the railroad law? Its authors in both Houses of Congress were Republicans; but it was signed by a Democratic President, and got a considerable number of Democratic votes. We had cooperation, Mr. President, when that law came up, whereby \$7,000,000,000 of water was to be injected into the capitalization of the railroads.

The Wall Street crowd was on hand with their cooperative movement in full force, they were able to break down party lines in both Houses of Congress, and the bill passed without really being a party measure.

The Federal reserve act was a Democratic measure, but it was supported by many Republicans, and at the time of the deflation meeting every member of the Federal Reserve Board was a Democrat. But they called in the class A directors, and the advisory council, and they were nearly all Republicans. Again we find this great principle of cooperation operating 100 per cent for the deflation of the people of the United States, and especially the farmers of the United States, and at the same time protecting the big business of the United States.

#### REMEDIES—RAILROADS

Therefore, if the people of this country want to understand the fundamental causes in this history of speculation and depression, they must realize that the cause is not partisan; party lines fade away whenever the big crowd comes along with a big proposition of that kind.

What are the remedies for it? Let us consider the railroad proposition. You may consider that from any standpoint you choose, but the only remedy that suggests itself that will be effective and permanent and in the interest of all the people, which can be applied, is to do what the Canadians have done with their railroads. They took them over, and all but one are operated by the Government.

Some one says to me that we had a terrible experience with Government operation in the United States. We did, and I want to tell the story of that. When a committee of the Congress was considering the railroad question, previous to the taking over of the roads by the Government, a showing was made for Government ownership. The railroads brought over an economist from England to reply to that showing. His name was W. M. Ackworth, and he was perhaps the most noted railroad economist in the world at that time. He went before the committee and made a very radical statement against Government operation of railroads. It was discovered afterwards that he had just sat on a royal commission to determine what should be done with the Canadian railroads, and that commission had just officially decided that the Government of Canada should take over and own and operate all the roads in Canada except one. So, after an official decision so momentous in favor of Government ownership, he probably had to make a very radical statement to our committee against government ownership to produce any effective impression. Then it was shown from his own book that practically all of the propositions he made to the committee were untenable, and that ended the hearing as to Government ownership. The

railroads had no more to say about Government ownership in the United States.

Then they adopted a new line of tactics. The law had been passed permitting the Government to take over the roads during the war. Then the private managers, who still continued to manage the roads under the Director General of Railroads, evolved a scheme of padding their pay rolls and expense accounts enormously, in order to discredit Government operation and the Government of the United States itself.

In 1917 the total operating expenses of the roads—and that included the Adamson law, and all—were \$2,956,000,000, nearly \$3,000,000,000. But in 1918 the expenses were \$4,137,000,000. A part of that was necessary, but a large part was padded accounts, padded for the purpose of discrediting the Government even in time of war. Then in 1919 they increased nearly \$500,000,000 more to \$4,569,000,000, and on the 1st of March, 1920, the roads were turned back.

#### GUARANTY FROM TREASURY

I said in the beginning that I would mention a guaranty to the railroads out of the Treasury of the United States in this transportation act, and here it is. The transportation act guaranteed the war-time profits to the roads for six months after they were turned back to private ownership, and that period began the 1st of March, 1920.

As soon as they got that guaranty, these patriotic railroad managers, who had been these two years and more padding their pay rolls and expense accounts against their own Government to discredit it, further decided to pad those accounts still more, over what they had already done, and we find the operating expenses jumping from that \$4,569,000,000 in 1919, to \$6,054,000,000 in 1920. Over the top of all this padding which had been done these years before they padded those expenses \$1,485,000,000 more, nearly a billion and a half dollars, and that made a deficit in the guaranty. We have written checks on the Treasury of the United States for \$529,000,000 to pay that deficit.

They claim about six hundred millions of this increase was due to increase in wages, but the other nine hundred millions was due to graft of every kind known to the science and art of grafting.

Mr. President, that was not a guaranty to pay losses or to pay damages; we paid those two or three times over, too. That was a guaranty to pay war-time profits through a period of six months, which ended about two years after the war was over and six months after the roads were turned back to private ownership, a subsidy direct out of the Treasury of the United States; and this subsidy was paid during the same six months of deflation of agriculture and other business.

That is not the only subsidy the railroads have had. They got 158,000,000 acres of public lands as a subsidy direct, territory equal in extent to four and a half States as big as my State of Iowa, and they got \$529,000,000 in cold cash out of this guaranty. Then they got a valuation in 1920, with \$7,000,000,000 more of water. We can talk of subsidy, but the private owners of the railroads in the United States have been the biggest grabbers of subsidies in the history of the world, always under the laws passed by the Congress of the United States.

Mr. President, if our Government will honestly operate the roads as the Canadian Government has done, it can do it and make savings in all the items I have pointed out. It can not do it with dishonest traitors padding the accounts of the railroads to discredit the Government of the United States. Even in spite of this, the last year of Government operation was \$1,485,000,000 less in operating expense than the next year, 10 months of which was private operation.

I have been at pains to find out whether or not the Members of Congress have gone home and told their constituents about the facts in reference to this railroad operation, and I find they have not told the people. I have been in 20 States, and I have heard it mentioned in only two or three in the whole list. The people of this country are



entitled to know the facts, and I propose to keep talking them in the Senate and out of the Senate until the people do know them, as far as it is in my power.

#### PATENTS

In reference to the patent laws, I feel that the Government ought to hold all the patents and make them free, fix a royalty for the real inventor who obtains the patent, and not allow the profits to go to somebody who jockeys the real inventor out of the patent in a financial transaction. I do not know whether that can be done under the Constitution of the United States or not. I have had the drafting committee working on the constitutionality of it for some time. If it can be done, I shall certainly propose a law to that effect; if not, then a constitutional amendment.

#### HANDLING FARM SURPLUSES

Mr. President, what is the remedy for handling the farmer's surplus, and what has the Farm Board done to carry out that remedy? Herbert Hoover, during the war and after the war, taught us how to handle agricultural surpluses. On the 15th of July, 1917, he wrote President Wilson and said that England, France, and Italy had combined and appointed one buyer to buy all their wheat, and they had decided to bid a dollar and a half a bushel for No. 1 Northern, Chicago, and they were the only bidders we had. He said a Government corporation would have to be organized, with funds to buy and hold the surplus at a cost of production price, because the farmers could not afford to produce wheat at such a figure.

Mr. Hoover also pointed out that the year before, in 1916, the farmers had received \$1.51 for their wheat, on an average, and that the speculator sold it for as high as \$3.25, but that the consumers paid for their bread at the speculator's price rather than at the farmer's price. He called for the ending of speculation in food products.

President Wilson got the law passed on the 10th of August, 1917. Four days later he appointed a Farm Board. Sixteen days later that board completed its deliberations on the subject, and fixed the price of wheat; and there was no argument about price fixing; they fixed it at \$2.20 a bushel for No. 1 Northern, Chicago.

On the same day that price was fixed, Mr. Hoover bid that price for all the wheat that was offered, not for any little part or portion of the crop, not for half or one-third of the surplus, but for all the wheat that was offered, and the Board of Trade went out of business the same day. It never sold another bushel of wheat on futures during the next three crops of 1917, 1918, and 1919. All of that was handled through the wheat corporation and direct sale and delivery markets.

Congress had given Mr. Hoover \$150,000,000 in cash to buy the surplus wheat, but it had authorized him to borrow more if he needed it. He needed \$385,000,000, and he borrowed that, and he bought \$535,000,000 worth of wheat alone, and held it. He did not sell part of it and then buy more back again. He stayed out of the gambling market entirely, and he announced as a policy that he would hold the wheat until he got his money back, that it was not for sale until then.

Mr. President, the present Farm Board has never had such a policy as that. It has gone into the market like another gambler, and has been a detriment to the market rather than a help, even breaking down the world market.

In the fall of 1918 the slogan went out, "bread will win the war," and the President called upon the farmers to sow more wheat. They did sow more. They sowed 18,000,000 acres more. But after that winter wheat was sowed, in 1918, the armistice was signed, and the war was over.

Then it appeared that we might not need all that wheat. We went through the winter all right. By the 1st of March the department was predicting 1,200,000,000 bushels as the probable yield. Eight hundred million is the ordinary crop. Mr. Hoover was then alarmed about financing such a big prospective surplus. He did not know whether he would be able to raise the funds from the banks, and he wanted to make sure. So he sent Julius Barnes to Congress, and Barnes came before the Committee on Appropriations of

the House and asked for a thousand million dollars to handle wheat alone—a billion dollars—and he got it; Congress voted it all without batting an eye.

The season came on, and it was not good. The yield was low, although the acreage was large. We got about 968,000,000 bushels when we were expecting 1,200,000,000. That was still more than the ordinary crop of 800,000,000 bushels. Barnes had to buy and did buy and hold 138,000,000 bushels of that crop. The price had now gone up to \$2.26. That was an increase of 6 cents which was granted by the board. That was for the railroads and not for the farmers, however, because the railroad rate had gone up by that amount. Then they sold all that surplus wheat and got all that money back and got \$59,000,000 of profit, which was tucked away into the Treasury of the United States, and remains there to-day.

That is the only way I know of to handle an exportable surplus. That is the only way anybody has ever successfully handled it. That is exactly the way the Steel Trust is handling its exportable surplus now, and has all these years. It is the way the Aluminum Co. is handling its exportable surplus now. That is the way every other industry that has an exportable surplus is handling it.

I was in hopes that when the farm relief bill was enacted it would contain some of these principles with enough funds to back them up. It only had a part of them, and it did not have anything like enough funds to support them. Can we successfully handle our agricultural exportable surplus in that way? Not with \$500,000,000 while the surplus amounts to two thousand millions. In the first place, there never has been a 6-year period in the history of the world when the agricultural products were not used up. They have always been used; there has always been a demand for them in all the history of the world if financed over a long period of time.

Let us take cotton. That is the most outstanding proposition of export. It is the biggest item of all. Let us take the most unfavorable time, 1926, when we had had three big crops in succession and the carry-over for a surplus of about 8,000,000 bales. Suppose we had been operating in that way with cotton at that time. Suppose the Farm Board had fixed the price at 23 cents a pound. In my opinion the farmer must get about 23 cents a pound at his principal markets in order to be prosperous. Suppose the Farm Board had had the funds to pay 23 cents a pound for all the cotton that was offered when we had that big surplus and had bought it as Hoover did the wheat. It has been variously estimated to me that they would have had to buy \$400,000,000 or \$500,000,000 or even \$600,000,000 worth, but nobody has made a higher estimate than \$600,000,000. But Mr. Hoover with his wheat corporation bought and held \$535,000,000 worth of wheat, and it is ordinarily only about half as big an item of export as cotton. Suppose that had been done in 1926. All of that cotton would have been used up by 1927 and 1928 without the loss of a dollar and we could even have taken a profit on it as Hoover did on wheat.

Instead of that what actually happened? The farmers of Oklahoma got 6 cents a pound for their cotton. They would have gotten 17 or 18 cents if the price had been fixed at 23 cents at New Orleans. The farmers anywhere in the South hardly got more than 10 or 11 cents a pound. These low prices sent farmers into bankruptcy by the thousands and tens of thousands all over the South. Those bankruptcies injured every other business in the South and brought on a terrible depression in the South.

Then the South could not do business with the North and that brought on a depression in the whole country. If this price of 23 cents per pound had been fixed, then the farmers of Oklahoma and the whole South would have been prosperous and that would have made every other business in the United States prosperous. I do not need to argue to the Senate of the United States that if the business of the South had been prosperous it would have bought immensely more from the North and that would have added greatly to the prosperity of all the States of the North. Yet instead of following that successful policy of financing this surplus for agriculture as industry finances and controls



its surplus, we turned it over to a few speculators and gamblers. They were on the bear side of the market and the bull side of the market, and they broke the market down and broke the world market down. They brought on this terrible disaster to agriculture and now later to our whole country.

Mr. President, I would like to see the Farm Board have authority to do about all these agricultural surpluses everything that we did with wheat and to have enough money to handle it all in that way. It is said, "You will cause an overproduction and that will be worse in the end than if you had not protected the surpluses." A scientific survey of production in the United States shows that since 1900 the per capita agricultural production of the country has been slowly declining. In other words, the population is growing faster than agricultural production and the surplus is gradually getting less instead of more. Perhaps in 25 or 30 years we will have no surplus, but 25 or 30 years is just a little too long to stay in bankruptcy.

#### ONLY TEMPORARY REMEDY

Mr. President, I regard this as only a temporary remedy for the situation. The support of the Farm Board by the Treasury should only continue until a permanent financing system can be established. A moment later I shall discuss what I regard as a permanent remedy.

#### PROHIBIT SPECULATIVE LOANS

For the defects in the Federal reserve banking system I have offered an amendment providing that member banks be prohibited from making speculative loans on the same terms that the Federal reserve bank itself is prohibited from rediscounting them. No one has ever shown me any reason why the big overhead bank, the Federal reserve bank itself, should be prohibited from rediscounting gambling loans, and yet the member banks be permitted to make them. That would stop that portion of speculation.

But an observer says that would drive all the business over into the State banks. I have anticipated that. I have offered an amendment requiring the State banks to follow the same rule or to be denied the use of the United States mails and privileges of interstate commerce. That would bring them all in under the same rule and would stop the use of our banking system to promote this great speculation in New York.

#### PERMANENT REMEDY

But there is a further and more permanent remedy that will wipe out this mass of alternative periods of speculation and depression that I want to discuss in conclusion. In order to illustrate that remedy I want to go back for a moment to Henry Ford. He wakened up about the same time the farmers did in the fall of 1920 and in the same way. He owed \$75,000,000. The banks wanted that money just as they wanted the Iowa Congressman's money. That was not much for Ford, but when he looked around Cleveland, Detroit, New York, and Chicago, there was no money to be had. All the available credit of the country had been gathered in by the big financial crowd, who knew the situation or had been tipped off to it. Ford was about to be sued for \$75,000,000, and Wall Street chuckled. At last they even had Ford where he would listen to them. Then they sent a man out to see him.

This story was told to me by his Iowa representative who was in the office when the man came in there. Mr. Ford asked about this loan, and the man said, "We have been giving it very serious consideration. At last we have formulated a plan so we can organize a syndicate and take care of it. But," he said, "before we do that we will have to appoint an auditor in your business so he can check through everything and see that everything is all right." Henry Ford did not want any Wall Street auditor in his business. He said, "When does the next train leave for New York?" The man said, "About 7 o'clock to-night." Ford said, "You can take that train back to New York," and that ended the interview.

Then Ford organized a little Wall Street of his own, and here is the way he operated it. He shipped his cars out to his dealers all over the United States. Anyone can ask a

Ford dealer in his town anywhere and he will find that this is true. These boys had not ordered the cars, but that made no difference to Ford; he shipped them anyhow. Then he said to them, "Pay for them or get out of the Ford business." They did not want to get out because it was a good business. "If you have not got a Ford, you ought to have one," you know. They went to their local banks crying about it and said, "We have to have some money to pay for these cars or we lose our agency." Then the bankers took pity on them. They still had some of the farmers' money, some of the laboring people's money, and some other folks' money that they had not yet sent to New York. So they loaned it to the boys, and in a few days Henry Ford had his \$75,000,000 and a good many million more.

That took \$75,000,000 away from the financing of the farmers and holding back their crops and preventing them from being dumped into the market and breaking the markets down, just as truly as did the loans to Armour, and Swift, and Sinclair, and all the other big fellows. It did not help the farmer, but of course it saved the jitney.

Mr. President, I am willing to forgive Henry Ford for that autocratic act—and it was an autocratic act—perhaps there never was a more autocratic act in the history of American business; but I will forgive him if we can get the farmers of the country, the laboring people, yes, the little merchants and the manufacturers, too, and the little banks—to profit by Henry Ford's experience. If I can get these people to learn the same lesson out of this transaction that Henry Ford learned, it will be worth the price. Look through the statement of his business now and you will not find at the bottom that item of "bills payable, \$75,000,000." It does not read that way now. It reads now, "Cash on hand, \$400,000,000," or something of that kind. Henry Ford has decided to become his own banker. Never again will he risk the life of his business by taking out a great loan in a banking system controlled down in New York.

I want to say now to the farmers, to the independent merchants, which are being destroyed by chain-store organizations financed by this same flow of credit back to New York, to the manufacturers—yes, to the banks, 6,000 of them who have been destroyed by this chain-bank operation in the United States—that there is only one way to meet this situation and that is to do exactly as Henry Ford has done. You must become your own banker in a cooperative banking system with cooperative reserve bank, and all under your own control. You ask why we can not have that under our laws now. The big financial interests of this country have looked after the cooperative laws in the United States and kept out cooperative banking. We have cooperative laws in every State. We have a start in the national enactment. But, Mr. President, every time cooperative banking has been kept out. The only thing that has ever been permitted is a little cooperative credit union or mutual bank which must be organized separately and flounder along by itself without any reserve or any associated support. The financial crowd have looked after that item in our banking laws and our cooperative laws.

Nobody in the United States will argue against cooperation now. The farmers have all been converted to it long ago. Labor has long known it, and now the independent merchants are finding it the only remedy by which they can battle the chain-store monopoly. The independent manufacturer will soon find out the same thing. We have appropriated \$500,000,000 to the Federal Farm Board to organize cooperatives, but too many decoy ducks of the Eugene Meyer type have assumed to lead the organization of those cooperatives. The intermediate credit bank is really a cooperative reserve bank or ought to be, but it has been frozen up and made useless practically under the management of Eugene Meyer.

#### FOUNDATION COOPERATIVE BANKING

Mr. President, will the cooperative banking system serve as a foundation for a permanent remedy for the evils which I have pointed out? I think it will; I am sure it will. I made some investigation of this subject in other countries in 1923. The first man I called upon was the American



ambassador to France, Myron T. Herrick. I met him at his office in Paris and told him my mission. If there was any ambassadorial reserve or dignity it disappeared at once. He sat down and he said to me, "You are on the greatest mission in the world." Then he pushed a button, a boy came in, and he said, "Bring me a copy of my book, Rural Credits. The boy was back with this book [indicating] in a little while. Mr. Herrick autographed and handed it to me, as I hold it here, and added the date, May 14, 1923. He then said to me:

"I want you to read this book as you go around the countries of Europe. You will find that the United States is the only civilized country in the world that by law is prohibiting its people from organizing their own savings in a cooperative banking system with a cooperative reserve bank and all under their own control."

Mr. President, I have just read another work upon the subject of banking by Mr. Paul M. Warburg. It consists of

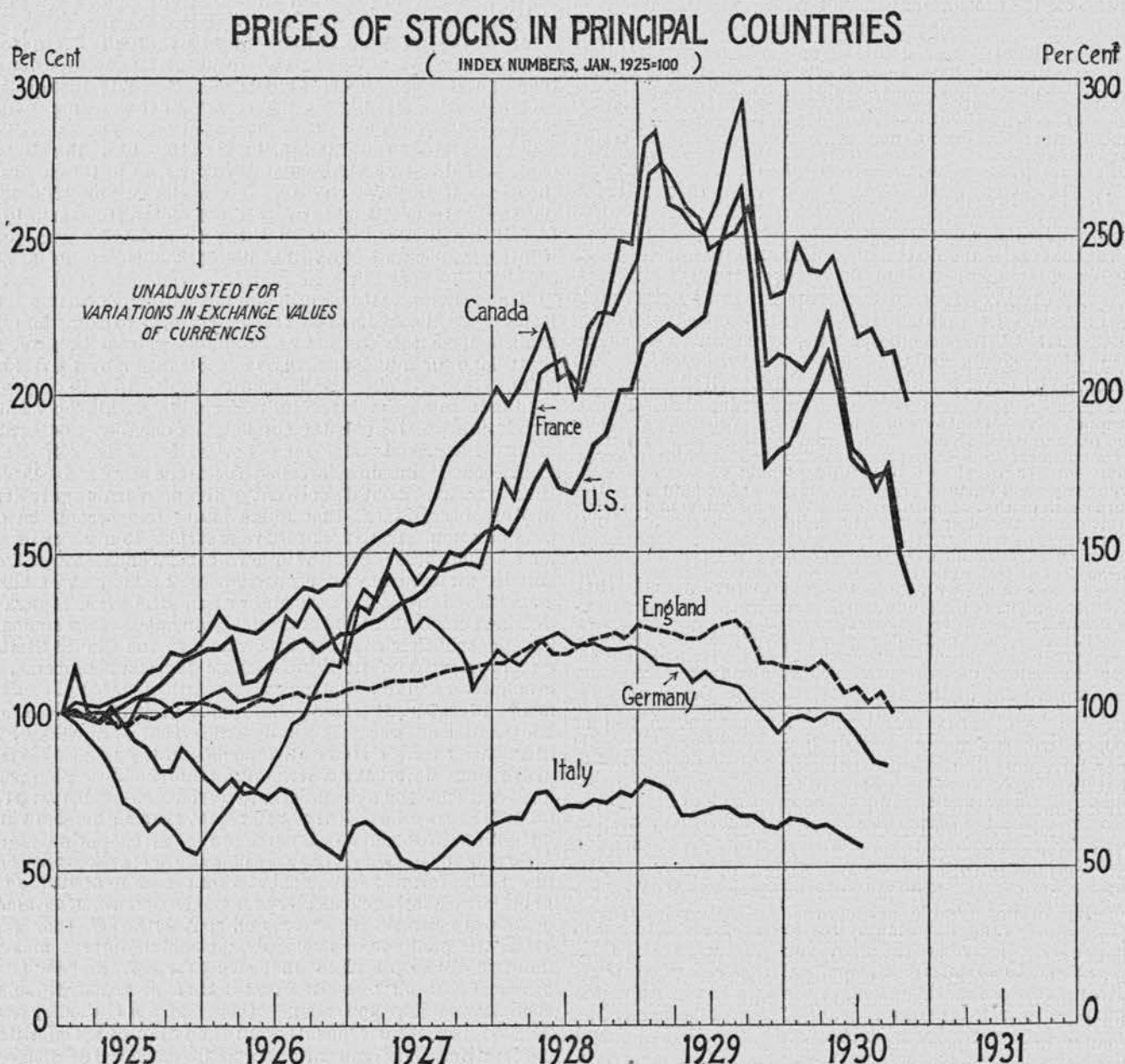
two volumes. He describes how he created, formulated, and evolved the Federal reserve system. When one gets through reading those volumes he has no doubt left, if he believes them, that Paul M. Warburg is the great founder of this great system. But regardless of the validity of his claims, the principal argument upon which he sustains the Federal reserve system is that there are central banking systems in Europe and those banks had stabilized business better than had our banking systems in the United States.

Mr. President, the second chart I have had drawn and had placed on the wall to the left shows something of the stabilization of business. Through the center of that chart runs the English line marked "England."

I ask that this second chart be inserted in the Record by electrotpe at this point in my address.

The PRESIDING OFFICER (Mr. Fess in the chair). Without objection, it is so ordered.

The chart is as follows:



Mr. BROOKHART. It will be noticed that from 1925 up to date there has been very little variation in stock values; they run along even, they are stable, as it were. Some of the other countries have a variation much like our own. One can see the great variation, fluctuation, and instability of values in the United States compared to those English values.

But, Mr. President, did Mr. Warburg in his work give the reason for that stability? No; not one word of it is found there. The only reference he makes is to the central banking systems of the various countries.

However, there is another banking system, Mr. President, in those countries, and that is the system that Mr. Herrick



mentioned to me—the great cooperative system. I want now to quote briefly some of his statements about the cooperative credit system as it relates to the farmers of the United States. On page 8 of this book he says:

Furthermore, the shortest period needed for agriculture is too long for the banks, and so the 90-day paper of the merchant gets the preference over the 6-month or 1-year paper of the farmer. As a result, the major portion of the farmer's credit is not bankable under the present system, and only a comparatively small amount of their paper reaches the outside world. Consequently, when they wish to realize upon their credit to its fullest extent the farmers must pay a premium for the risk incurred, besides the highest interest charged in their immediate vicinity. A new system to be added to the old is necessary to rectify this trouble also, in spite of the powers recently granted to national banks by the Federal reserve act of 1913.

On page 9 he says:

Agricultural wealth and production in the United States are greater than in any other country. The figures are stupendous. In 1910 the farm property was valued at \$40,991,449,090, of which \$28,475,674,169 was in land. If this capital were mobilized, the credit needs of farmers could be supplied for all time to come. The annual returns were \$8,417,000,000. This is more than sufficient to finance a banking system for the exclusive use of the farmers. Mobilization can be accomplished, however, only through institutions capable of lengthening the period of loans, allowing repayment by amortization, and able to make heavy and constant sales of debentures issued against the mortgages taken. As regards short-term credit, the best banking system ever devised for enabling farmers to utilize their own funds and revenues for their own purposes is a cooperative system.

Then, Mr. President, on page 479 Mr. Herrick concludes:

There are no Federal or State laws in the United States under which the farmers might organize themselves into systems with credit societies as the basic units. The laws of Massachusetts on credit unions of 1909, of Texas on rural credit unions of 1913, of Wisconsin on cooperative credit associations of 1913, and of New York on credit unions as finally enacted in 1914, provide for the organization of associations intended for thrift and small credit for feeble folk. Texas limits the loans to \$200 at not over 6 per cent for productive purposes, thus absolutely preventing large undertakings, while the restrictive measures of all four laws render them useless for rural banking and credit systems. All require the members to be natural persons; none allows associational members. This alone would prevent credit societies from being the basic units of a system. All forbid the acceptance of deposits from outsiders, thus closing the greatest source of funds for operation. All require share capital and prohibit the societies from doing any other business and from using their funds for any other purpose than that of making loans. This rejection of Raiffeisen principles is the most serious and regrettable defect in the law. The farmers of the United States are capable and independent men, and they should have the right under the laws to organize themselves as best suits their own ideas or circumstances, whether it be in associations with shares or without shares, or with collective liability limited or unlimited. Moreover, they should be able to decide for themselves whether they will have syndicated local associations or just one Raiffeisen credit society for each neighborhood. They have no choice under any of these laws, and thus the play of private initiative and freedom of action is blocked.

It has always been a mystery to me, Mr. President, how the Wall Street crowd has been able to succeed in keeping cooperative banking out of our laws everywhere, and yet they have done that identical thing. I have some evidence that they have given it specific attention. I went to New York some years ago to talk to about 200 of those big fellows. That was shortly after my election to the Senate. They have a way when one is first elected to the Senate of inviting him up to New York to look him over. In my case they wanted to see how long my horns were and find out whether or not I could be dehorned. So they invited me there, and I spoke on cooperation in a general way. That night, after it was all over and we were standing around waiting for my train, a slick looking chap came up to me, called me off to one side and said, "I want to tell you something. I think Paul Warburg is the greatest financier this country has ever produced and what I want to tell you is that he believes much more in your cooperative ideas than you think he does, and if you want to consult anybody about the big business of cooperation he is the man to consult because he believes in you and you can rely on him." Then he slipped away. Ten minutes later I was steered against Paul Warburg himself. He said to me, "You are absolutely right on this cooperative proposition. I want to let you know that the big bankers are with you. I want to let you know that now, so that you will not start anything on cooperative banking and turn them against you." I said, "Mr.

Warburg, the heaviest burden the farmers have to carry is, first, the accumulation of all the surplus credit of the country down here in New York for speculative purposes, increasing the interest rate to the farmers; and, second, the deflation policy of the Federal reserve system which ruined them in 1920." And then I said, "I have already prepared and tomorrow I am going to offer an amendment to the Lenroot bill" (that was the intermediate credit act then pending) "to authorize the establishment of cooperative national banks." Then he faded away, and I have not heard from him since; he had no more business with me. He was seeking then to stop even the inauguration of discussion and agitation for a cooperative banking system. Yet this is the man who claims to be the builder of the Federal reserve system of the United States, and this is the man who in a book describing the stability of European business neglects to say anything about the great cooperative systems that have actually stabilized business in those countries.

#### COOPERATIVE PRINCIPLES

Mr. President, what is this cooperation of which I speak? It is founded upon three simple principles: The first one is one man has one vote in the cooperative enterprise; capital does not vote at all. It makes no difference how many shares one may have, he is one man with one vote, just like one man has one vote in the Government of the United States, and as now one woman has one vote in the Government of the United States. The earliest successful cooperative society that ever was organized was the first institution in the history of the world, so far as I know, that recognized in business affairs women as being on equal terms with men.

The second of those principles is that the earnings of capital are limited; capital is given a fixed and definite wage. I want to ask why should not capital be given a fixed and definite wage, as men are given a fixed and definite wage? Why should men be limited to a fixed wage, and then capital be turned loose to gather in all the wealth production of the country through organization and credit control?

The third principle is called the trade dividend. Under that principle about 25 per cent of the net earnings are kept in the enterprise, so that it may grow and become larger and be sound and safe and have a surplus to meet losses, if any should occur, and the other 75 per cent is distributed among the members in proportion to the amount of business they transact with the enterprise. The whole system is founded upon those three simple principles. If we should amend the articles of incorporation of the United States Steel Corporation itself with those three amendments, it would turn it into a cooperative.

Mr. President, this system started with 28 flannel weavers on the 21st of December, 1844. Twice on the anniversary of that date I have inserted their names in the RECORD. They had a little store. For a year and a half they saved their pennies until they got a pound each, \$5 each; and with that \$140 of capital they opened this little store at Toad Lane, in the little town of Rochdale. They had four articles of food, and they were open two nights a week, and they were a joke and the butt of ridicule; but they persisted, and finally, upon those principles, they succeeded. Charles Howarth invented the third of those principles, and that is the one that gave them the final success. Cooperation on the other two had failed, because they sold their goods for cost, and not at a reasonable profit to be distributed back in trade dividends. They would have losses when they sold for cost, and then had to assess their membership, and that made dissatisfaction, and the organization broke up. The trade dividend remedied that, however, and this store succeeded.

#### GROWTH OF COOPERATION

After it succeeded, other stores were organized—finally, several hundred of them. Then they said, "We would do better if we had our own wholesale"; and they met together in convention and figured out the amount of capital they needed to start a wholesale. Stores only subscribed for all that capital. No individual took any of it. Then they started the wholesale upon the same three prin-



ciples. Each store had a number of votes equal to its membership, carrying the 1-man 1-vote idea through to the top; and the earnings of capital were limited. Five per cent was the maximum they ever allowed. Then the trade divided went back to the stores, keeping 25 per cent of the net in the wholesale, so that it would grow. Each store got the rest of the net earnings in proportion to the amount of business it transacted with the wholesale. Then these stores had that profit to distribute on down to their members in proportion to the business each member had done with the store, thus tying the membership into the system from the very top to the bottom; and that wholesale succeeded at once.

I want to say to the independent retail merchants of the United States that I have just described the only organization with which they will ever successfully combat the chain-store monopoly; and we are doing it out in Iowa now, where 700 stores have organized a cooperative wholesale grocery.

Mr. President, after a time these English cooperatives said they would do better if they had their own soap factory; so they organized a factory on the same three principles. When I was there in 1923 they had 158 of those factories, doing nearly everything in human civilization, and doing business all around the world.

They got a couple of thousand of those stores, and they noticed that a great many of them failed, as our independent stores fail in this country. Then they said, "We would do better if we had our own cooperative banking system"; and now they tell you that that is the foundation of cooperative success, and ought to have been organized the very first thing. They had to learn that by bitter experience, but they can tell us of that now. So they put a little deposit bank in each of the stores, as a sort of department in the store, and in the wholesale they established the reserve bank.

I have here their yearbook for 1927. It was published in 1929, but it covers the business of 1927. The frontispiece is a picture of the new cooperative reserve bank building, erected since I was there. When I was there, this bank had a turnover of two and one-half billion dollars. When this book was published, in 1929 for 1927, it had over three and one-half billions. It has more than four billions to-day. It is one of the big banks of the world; and it is the safest, soundest, most successful bank in the world to-day. It is safe and sound because in the cooperative system no loan is ever made to anybody, anywhere, at any time, for speculative purposes. Loans are made for productive and necessary purposes only. That rule is followed; and that is the rule, together with the limit to the earnings of capital, that stabilizes the business of Great Britain.

This great system has grown to these proportions and mostly since the World War. They have 11 flour mills there that grind 35 per cent of all the wheat used in England, Ireland, Scotland, and Wales. Here is a picture of the great mill at Manchester which I myself saw in operation; and there are 10 other mills of that type. They are the biggest buyers of wheat in the United States or in Canada; and when they buy wheat in our country they pay no more attention to Paul Warburg or the Bank of England than if they were not on earth, because they have the deposits in the vaults of their own bank against which they check for those payments. They are absolutely an independent system, and upon that was founded their cooperative success.

Mr. President, former Senator Pepper, once a distinguished Member of this body, said that 92 per cent of American business ultimately fails. Former Senator Harreld, an expert in bankruptcy matters, put in the Record the statement that 96 per cent of American business ultimately fails. The proportion of failures has been estimated as high as 97 per cent, and I never saw an estimate lower than 80 per cent.

#### BUSINESS FAILURES

Think of a system of business in which there are 92 per cent of failures before it gets off its own doorstep. On the other hand, here is this great English system with 6,000 of those stores now, with a wholesale at Newcastle-on-the-

Tyne as big as Marshall Field, with one at Glasgow bigger, and one at Manchester three and a half times as big as that at Glasgow, with all of this vast banking system, with all of these factories, growing in percentage several times faster than the commercial or competitive business of Great Britain. This great system is 99½ per cent successful, and is doing business upon half the margin of American business, because this system has taken the extortionate profits out of capital and has stopped speculation entirely. It has now grown so great and so powerful that it has affected all business in Great Britain; and that is why this line runs so straight through the chart.

Mr. President, that was not discovered and not mentioned by Mr. Warburg, who wanted nothing along the line of cooperative banking started in the United States. The proof of that is not found in this chart alone. The chart that I have last inserted in the Record was made for me by the Federal Reserve Board. It was brought up to last December by the Federal Reserve Board itself.

#### COOPERATION STABILIZES

I have here, Mr. President, the report of the president of the New York Stock Exchange from May 1, 1927, to May 1, 1928. On page 12 of this report he has a chart of the same stock values; and here is this English line running through it, almost as straight as if drawn by a ruler. There is one other line running almost as straight as the English line, that is the Holland line—another cooperative country. The same thing would be true in Germany, with its Raiffeisen and its Schultze Delitz cooperative credit systems, were it not for the terrible slaughter of the war to business as well as to people. Every country of Europe where Mr. Warburg tells you that business has been stabilized by these central banking systems has this cooperative banking system along beside it. If we can get that established in the United States, and organized to the extent that it is in those countries, it will take the gambling out of Wall Street. It will end this constant cycle of speculation, followed by this terrible depression each time. Never again will we have eight major depressions in 50 years. There will be no occasion for them. Why, England was hit a hundred times harder by the war than the United States. There is more reason, a hundred times over, for instability of business in that country than in ours, so far as general world conditions are concerned; but a better system, a cooperative system, against which no man can argue, is the cause of that stability.

One of the reasons I put in the record why I opposed Mr. Eugene Meyer was that as I investigated this cooperative system around Europe he followed me up—it is in the record—and he called on me twice, both in London and in Paris, and he told me that we did not need the cooperative system in the United States. When I asked him for the reason for that, he said, "We have the best basis of credit. These are consumers' cooperatives over here. The farmers of the United States are producers, and they have the basis of credit." I asked him, "Why should not a producer have control of his credit system, the same as a consumer?" Then I called his attention to the fact that they already then had 158 big factories, producing nearly everything in civilization, which were financed by this cooperative system. In Denmark most of that country is agricultural. Its cooperative organizations, founded on exactly the same principles as the Rochdale system, are for the farmers of Denmark. It was a farmer in my own State who helped organize, as one of the committee of seven, the farmers of Denmark. He recently was the State organizer of the Farm Bureau Federation in Iowa. We call him Uncle Peder Pedersen. When I was in London I visited the farm cooperatives there, and the manager told me he then had a committee in Denmark studying cooperation, to bring it back to England. Then I told him how Uncle Peder Pedersen, of my State, 40 years before had gone to Rochdale, in England, from Denmark to study cooperation there and take it back to the farmers of Denmark. They had to do it in secret, because the King was opposed to them, and they would have been put in jail if it had been known; but they succeeded, and Den-



mark is perhaps the best-organized cooperative country in all the world to-day, with an almost perfect cooperative banking system upon which it rests.

Mr. President, the way we are driving in this country, with all our business turned into a gambling system, I can not believe that there is any remedy in sight for the situation if we go ahead upon the lines we have followed in the past. I can only see 50 years more of speculation and depression. That is un-American. That is unsound. We can get away from that, but we can get away from it only by putting in charge of this system somebody who will see it on different lines. There is no man in the country who has done more to develop the evils of this system, perhaps, than Eugene Meyer himself. So far as I am concerned, I can not consent to his confirmation for that reason.

Mr. LA FOLLETTE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fess	Keyes	Robinson, Ind.
Barkley	Fletcher	Kling	Sheppard
Bingham	Frazier	La Follette	Shipstead
Black	George	McGill	Shortridge
Blaine	Gillett	McKellar	Smith
Blease	Glass	McMaster	Smoot
Borah	Glenn	McNary	Steck
Bratton	Goff	Metcalf	Steiwer
Brock	Goldsborough	Morrison	Stephens
Brookhart	Gould	Morrow	Swanson
Broussard	Hale	Moses	Thomas, Idaho
Bulkeley	Harris	Norbeck	Thomas, Okla.
Capper	Harrison	Norris	Townsend
Caraway	Hastings	Nye	Trammell
Carey	Hatfield	Oddie	Tydings
Connally	Hayden	Partridge	Vandenberg
Copeland	Hebert	Patterson	Wagner
Couzens	Heffin	Phipps	Walcott
Cutting	Howell	Pine	Walsh, Mass.
Dale	Johnson	Pittman	Walsh, Mont.
Davis	Jones	Ransdell	Waterman
Deneen	Kean	Reed	Watson
Dill	Kendrick	Robinson, Ark.	Wheeler

Mr. SHEPPARD. I wish to announce that the senior Senator from Missouri [Mr. Hawes] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. BARKLEY. My colleague [Mr. WILLIAMSON] is unavoidably detained on necessary business.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

Mr. SMOOT. Mr. President, from the Committee on Finance I desire to report favorably a House bill.

Mr. LA FOLLETTE. I object to the bill being received out of order.

The VICE PRESIDENT. The report can not be received at this time. The Senate is in executive session.

Mr. FRAZIER. Mr. President, I want to say a few words on the pending nomination of Eugene Meyer to be a member of the Federal Reserve Board.

When the Federal reserve law was written and passed by Congress the intentions were undoubtedly good. I recall reading reports to the effect that some of the big bankers were opposed to the law at that time. But after the Federal reserve law was enacted it seemed that immediately the large banking institutions and the big bankers of the country got control of the system and have run it ever since for their benefit and not for the benefit of the people.

The junior Senator from Iowa [Mr. BROOKHART] has gone into the situation very fully, especially as it affects the agricultural interests. I want to repeat, however, that in my opinion there is no question but that the action of the Federal Reserve Board in bringing about the deflation in 1920 started the so-called depression, or hard times, or panic, or whatever one wants to term it. The farmers have been hit harder than any other group of people. They have been put out of business by the millions all over the Nation. They have been forced into bankruptcy, they have been foreclosed upon, they have had their homes taken away from them, homes they had worked a lifetime to secure. They have

been the ones who have suffered the most, and they are still suffering more than any other group of people on account of this so-called depression, which was started back in 1920 by the action of the Federal Reserve Board.

The Federal reserve law turned the credit of the Nation over to the Federal reserve banking system, and gradually the Federal reserve banking system has come under the control of Wall Street banking interests. The appointment of Eugene Meyer as a member of the board now will only promote that control and make it stronger than it has been in the past.

Eugene Meyer, of course, is recognized as a good banker and as well qualified for this position, I suppose. Yet he is a Wall Street banker. He has made his money in Wall Street. He has helped to manipulate the stock market there, undoubtedly, and knows the Wall Street game from start to finish. If the Wall Street interests are going to control the Federal reserve banking system and the credit of this Nation, I do not think a better appointment could be made than the appointment of Eugene Meyer as a member of the Federal Reserve Board.

I do think, however, that the whole system is a detriment to the common people of the Nation and that drastic changes should be made. I am opposed to Mr. Meyer's confirmation because in my estimation he is not in sympathy with the common people, not in sympathy with the farmers or other workers of this Nation, but has the viewpoint of the big banker, the Wall Street banker especially, and that it will be expected that his attitude on that board will be more in favor of the big bankers, and especially of the Wall Street type, than of anyone else.

Mr. Meyer was commissioner of the Federal Farm Loan Board for a time. While in that position I think he assumed much the same attitude that other members of the bureau have assumed, but I am frank to say that, in my opinion, his attitude was not friendly to the farmers during the time he was with the Federal Farm Loan Board. In fact, in my opinion, we have never had a Federal Farm Loan Board that has been friendly to the farmers.

They give the excuse, of course, that under the existing legislation they are compelled to depend upon the regular bond buyers for the money they lend to the farmers through the Federal farm land-bank system or through the intermediate-credit bank system, and that is quite true. They say they are compelled to pay their interest semiannually to the bonding companies which buy the debentures or bonds, furnishing the money, and that those bond companies insist that the Farm Loan Board shall conduct their business on a business basis and demand the interest from the farmers every six months. Of course, there is something to that. Yet it seems to me that if the Federal farm-loan bank is ever to function for the benefit of the farmers, the law should be changed and a provision made whereby the Treasury of the United States should buy the bonds to furnish the money, or at least there should be some other provision for the raising of the money with which to make loans to the farmers under the Federal land-bank system and the intermediate-credit bank system. But, of course, men of the type of Mr. Meyer are opposed to that kind of change, and I can see no hope, as long as men of that type are in control of the Federal reserve system and the land-bank system, of the farmers and the common people of the Nation ever getting anything like a square deal.

Much might be said about Mr. Meyer's connection with some of the big financial interests of the Wall Street group. Some of those interests are controlled by foreign capital, at least very largely so. Of course as I see it, Mr. Meyer belongs to the so-called international group in New York City. While there may be some excuse for international banks, yet I can see no benefit to the small bankers of the country or to the people in general through an international banking system. We have had some examples, since I have been in the Senate, in the so-called settlements of the war debts of some of the allied nations. I have always thought that those matters were put across at the request and with the support of the international bankers.



Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. FRAZIER. Certainly.

Mr. SMOOT. I hope the Senator will revise his ideas, because that is not the case.

Mr. FRAZIER. I stated that had been my opinion.

Mr. SMOOT. I hope the Senator will revise his opinion.

Mr. FRAZIER. I will have to have a little more evidence than the mere request of the Senator before I can revise that opinion. Our bankers have loaned a great deal of money to those foreign nations and are interested in getting their loans repaid. The more that can be discounted from the Government loans the better are the chances of the international bankers to collect their debts from those foreign countries. I repeat that it is my opinion that the great Wall Street bankers were the men who were back of the reductions which were granted by the Senate in the matter of the loans to the allied nations.

Mr. President, I realize that it is useless to present any discussion against the confirmation of Mr. Meyer. While there might be a great deal said, especially from the standpoint of the agricultural interests, and there is a great deal to be said upon the banking situation and upon the control of that situation by the Federal reserve system. But it is practically useless at this time to attempt to discuss it. Inasmuch as the time is fixed to vote upon the confirmation, I personally see but little benefit to be gained by going into the situation any further.

I want to repeat that in my opinion the action that will be taken in confirming the nomination of Mr. Eugene Meyer to be a member of the Federal Reserve Board means that the Wall Street interests will absolutely control the banking situation in the United States. While I suppose we have to submit to it at the present time, yet I want to go on record right now as opposing that kind of control. I believe the fight will be kept up until the system is changed.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from California?

Mr. FRAZIER. I yield.

Mr. SHORTRIDGE. I understand that the Senator admits that Mr. Meyer is an honest, honorable man?

Mr. FRAZIER. I did not say anything about his honesty or honor. I said he is a good banker.

Mr. SHORTRIDGE. Will it not be admitted or conceded that he is a man of character, of honorable character?

Mr. FRAZIER. So far as I am concerned I have no charges to make against Mr. Meyer's honesty or his honor.

Mr. SHORTRIDGE. May I assume that the Senator admits that Mr. Meyer is a competent man, familiar with the duties of the office to which he has been nominated?

Mr. FRAZIER. He is undoubtedly familiar with the duties and, as I said, a very competent Wall Street banker.

Mr. SHORTRIDGE. May we not then assume, he being an honest man, a competent man, familiar with the duties of the office in question, that he would perform his duty honorably; that he would not be unduly swayed or influenced; that he would not consciously or, indeed, unconsciously, violate his duty under the law? My view always is to inquire, first, is the nominee an honest man, is he an honorable man? Second, is he a competent man? If those two questions are answered in the affirmative, then I think I am justified in assuming, and voting accordingly, that he would perform his duty as we of the legislative branch of the Government have declared that duty to be. That is my philosophy. That is my view. If these assumptions are correct, namely, that Mr. Meyer is an honorable man and a capable man, and will perform his duty under the law, why is he not the ideal man for the position?

Mr. FRAZIER. The definition of "honesty" and "honor" depends largely upon the individual. It is a matter of opinion. There are a number of Senators here who have argued at different times that men whom I would term gamblers in Wall Street and in the Wall Street market are honorable men. I have never looked upon a gambler in the stock and

bond market or in the cotton or grain market as being honorable. Of course, it is lawful and all that, but from my standpoint it is simply gambling and much worse than it is to gamble with dice or a deck of cards.

#### SECOND DEFICIENCY APPROPRIATIONS

Mr. JONES. Mr. President, if there is no one else who desires to proceed with discussion in regard to the Meyer nomination I move, as in legislative session, that the Senate proceed to the consideration of the second deficiency appropriation bill.

The VICE PRESIDENT. Is there further debate on the Meyer nomination?

Mr. BLAINE. Mr. President, if we are going to take up an appropriation bill may I suggest that it might be well to make the point of no quorum?

Mr. JONES. That is all right, although we had a quorum call just a few moments ago.

Mr. BLAINE. That is true, but the quorum call was not known to be for this purpose.

Mr. JONES. Very well.

Mr. BLAINE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Fess	Keyes	Robinson, Ind.
Barkley	Fletcher	King	Sheppard
Bingham	Frazier	La Follette	Shipstead
Black	George	McGill	Shortridge
Blaine	Gillett	McKellar	Smith
Blease	Glass	McMaster	Smoot
Borah	Glenn	McNary	Steak
Bratton	Goff	Metcalf	Stelwer
Brock	Goldsborough	Morrison	Stephens
Brookhart	Gould	Morrow	Swanson
Broussard	Hale	Moses	Thomas, Idaho
Bulkley	Harris	Norbeck	Thomas, Okla.
Capper	Harrison	Norris	Townsend
Caraway	Hastings	Nye	Trammell
Carey	Hatfield	Oddie	Tydings
Connally	Hayden	Partridge	Vandenberg
Copeland	Hebert	Patterson	Wagner
Couzens	Heflin	Phipps	Walcott
Cutting	Howell	Pine	Walsh, Mass.
Dale	Johnson	Pittman	Walsh, Mont.
Davis	Jones	Ransdell	Waterman
Deneen	Kean	Reed	Watson
Dill	Kendrick	Robinson, Ark.	Wheeler

Mr. BARKLEY. I wish to announce that my colleague the junior Senator from Kentucky [Mr. WILLIAMSON] is unavoidably detained from the Senate.

The VICE PRESIDENT. Ninety-two Senators have answered to their names. A quorum is present.

Mr. JONES. Mr. President, if no Senator desires to speak on the pending nomination, I ask unanimous consent that the Senate resume legislative business and proceed to the consideration of House bill 17163, being the second deficiency appropriation bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 17163) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1931, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1931, and June 30, 1932, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. JONES. I ask unanimous consent that the formal reading of the bill may be dispensed with and that it may be read for amendment, the amendments of the committee to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The legislative clerk proceeded to read the bill.

The first amendment of the Committee on Appropriations was, under the head "Legislative establishment," on page 2, after line 2, to insert:

#### SENATE

To pay William A. Folger for extra and expert services rendered the Committee on Pensions as assistant clerk to said committee by detail from the Bureau of Pensions, fiscal year 1931, \$600.

The amendment was agreed to.



The next amendment was, on page 2, after line 7, to insert:  
For miscellaneous items, exclusive of labor, fiscal year 1931, \$50,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 9, to insert:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1931, \$50,000.

The amendment was agreed to.

The next amendment was, on page 2, after line 15, to insert:

For folding speeches and pamphlets, at a rate not exceeding \$1 per thousand, fiscal year 1931, \$2,500.

The amendment was agreed to.

The next amendment was, under the subhead "Architect of the Capitol," on page 4, after line 2, to insert:

Fire protection, Senate wing of the Capitol and Senate Office Building: To enable the Architect of the Capitol to remedy fire hazards found by a survey under Senate Resolution 364, Seventy-first Congress, third session, and for all labor and materials, personal and other services, repairs and alterations, and every item connected therewith, fiscal years 1931 and 1932, \$100,000.

The amendment was agreed to.

The next amendment was, on page 6, after line 14, to insert:

#### FEDERAL POWER COMMISSION

Any unexpended balances on June 30, 1931, of the appropriations for expenses of the Federal Power Commission, provided by the independent offices act, 1931, approved April 19, 1930, and the second deficiency act, fiscal year 1930, approved July 3, 1930, are continued and made available until June 30, 1932, and the limitation for personal services in the District of Columbia, for the fiscal year 1932, contained in the independent offices act, fiscal year 1932, is hereby increased to \$265,000.

The amendment was agreed to.

The next amendment was, under the heading "Veterans' Administration," on page 12, after line 3, to insert:

Adjusted-service certificate fund: The amount appropriated by the independent offices appropriation act, 1932, under the heading "Adjusted-service certificate fund" shall be available July 1, 1931.

The amendment was agreed to.

The next amendment was, on page 16, line 9, after the figures "\$420," to insert a semicolon and "for temporary personal services, fiscal year 1932, \$4,500; in all, \$4,920," so as to read:

Public employment service: For an additional amount for personal services and miscellaneous and contingent expenses required for maintaining a public employment service for the District of Columbia, fiscal year 1931, \$420; for temporary personal services, fiscal year 1932, \$4,500; in all, \$4,920.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Plant Industry," on page 24, line 3, after the figures "1932," to strike out "\$50,000" and insert "\$75,000," so as to read:

Blister-rust control: For an additional amount for the eradication or control of the white-pine blister rust, including the same objects specified under this head in the agricultural appropriation act for the fiscal year 1931, fiscal years 1931 and 1932, \$75,000.

The amendment was agreed to.

The next amendment was, under the subhead "Forest Service," on page 24, line 10, after the figures "1932," to strike out "\$150,000" and insert "\$200,000," so as to read:

Protection and administration, national forests: For an additional amount for maintenance, improvement, protection, and general administration of the national forests, including the same objects specified under this head in the agricultural appropriation act for the fiscal year 1931, fiscal years 1931 and 1932, \$200,000.

The amendment was agreed to.

The next amendment was, on page 26, after line 18, to insert:

#### MISCELLANEOUS

For carrying out the provisions of the act entitled "An act to authorize the construction on Government Island, Alameda, Calif., of buildings required by the Bureau of Public Roads and Forest Service of the Department of Agriculture and the Coast Guard of the Treasury Department," approved February 20, 1931, fiscal years 1931 and 1932, \$800,000: *Provided*, That no part of the funds herein appropriated shall be expended until the United

States has accepted title to land on Government Island, Alameda, Calif., conveyed under authority of joint resolution of July 3, 1930 (46 Stat. 1018).

The amendment was agreed to.

The next amendment was, under the heading "Department of Commerce," at the top of page 28, to insert:

#### FEDERAL EMPLOYMENT STABILIZATION BOARD

Salaries and expenses: To enable the Secretary of Commerce to carry out the provisions of the employment stabilization act of 1931, approved February 10, 1931, including personal services in the District of Columbia and elsewhere, traveling expenses, purchase of equipment, furniture, stationery, and office supplies, printing and binding, repairs to equipment, law books, books of reference, and other necessary publications, and to procure by contract or otherwise any information or data concerning construction which may be considered pertinent, and all other incidental expenses not included in the foregoing, fiscal years 1931 and 1932, \$90,000, of which amount not to exceed \$70,000 may be expended for personal services in the District of Columbia.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Foreign and Domestic Commerce," on page 28, after line 21, to insert:

District and cooperative office service: For an additional amount for district and cooperative office service, including the same objects specified under this head in the act making appropriations for the Department of Commerce for the fiscal year 1931, fiscal years 1931 and 1932, \$15,000.

The amendment was agreed to.

The next amendment was, at the top of page 29, to insert:

#### BUREAU OF STANDARDS

Facilities for radio research investigations: For carrying out the provisions of the act entitled "An act to authorize the Secretary of Commerce to purchase land and to construct buildings and facilities suitable for radio research investigations," approved February 20, 1931, fiscal years 1931 and 1932, \$147,000.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Indian Affairs," on page 32, after line 14, to insert:

Uintah, White River, and Uncompahgre Bands of Ute Indians: To carry out the provisions of the act entitled "An act authorizing an appropriation for payment to the Uintah, White River, and Uncompahgre Bands of Ute Indians in the State of Utah for certain lands, and for other purposes," approved February 13, 1931, fiscal years 1931 and 1932, \$1,217,221.25.

The amendment was agreed to.

The next amendment was, on page 33, after line 3, to insert:

Additional land for Papago Reservation, Ariz.: For the acquisition of certain privately owned lands, improvements, and equipment for the use of the Papago Indians, Arizona, in accordance with the act of February 21, 1931, fiscal years 1931 and 1932, \$165,000, together with the unexpended balance of the appropriation of \$9,500 contained in the Interior Department appropriation act for the fiscal year 1929, for the purchase of land as an addition to the agency reserve of the Papago Indian Reservation, Ariz.

The amendment was agreed to.

The next amendment was, on page 37, line 22, after the word "Congress," to insert "fiscal years 1931 and 1932," so as to read:

Frazer, Mont., school district No. 2: For cooperation with school district No. 2, Frazer, Mont., in construction of a public high-school building at that place as authorized by public law, 652, Seventy-first Congress, fiscal years 1931 and 1932, \$25,000.

The amendment was agreed to.

The next amendment was, on page 38, line 2, after the word "Congress," to insert "fiscal years 1931 and 1932," so as to read:

Poplar, Mont., school district No. 9: For cooperation with school district No. 9, Poplar, Mont., in extension and betterment of the public high-school building at that place as authorized by public law, 657, Seventy-first Congress, fiscal years 1931 and 1932, \$50,000.

The amendment was agreed to.

The next amendment was, on page 39, after line 12, to insert:

Support of Indians and administration of Indian property: For an additional amount for general support of Indians and administration of Indian property, including pay of employees, fiscal year 1932, \$75,000.

Mr. KING. Mr. President, I should like an explanation of the amendment on page 39, beginning in line 13. I make



the request in view of the fact that the appropriation bill passed at the last session carried several million dollars in excess of preceding appropriation bills, and we have within a few days passed an appropriation bill carrying \$28,000,000 for the next fiscal year, being double what the appropriations were seven or eight years ago.

Mr. JONES. An additional Budget estimate was sent down requesting the \$75,000.

Mr. KING. I should like to know what that is for, and I should also like to know whether the Indians have to pay it—

Mr. JONES. I do not think so.

Mr. KING. Whether it is to be taken from the Indian tribal funds.

Mr. JONES. Here is the Budget estimate:

The purpose of this estimate is to carry into effect the act of February 21, 1931, authorizing an appropriation for the acquisition of certain privately owned lands in Arizona for the use and benefit of the Papago Indians as an addition to their reservation.

Apparently we have passed an act during the present month providing for the acquirement of these lands. This item is to carry out the provisions of that act.

Mr. KING. I have no objection.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Appropriations was, under the subhead "Bureau of Reclamation," on page 40, after line 17, to insert:

Advances to the reclamation fund: To carry out the provisions of the act entitled "An act to authorize advances to the reclamation fund, and for other purposes," approved March —, 1931, \$5,000,000.

The amendment was agreed to.

The next amendment was, at the top of page 41, to insert:

Secondary projects: For continuation of investigations of the Seminole Dam and Reservoir and other possible storage sites and power development in connection with proposed and existing reservoirs on the North Platte River and its tributaries in Wyoming, fiscal years 1931 and 1932, \$75,000.

The amendment was agreed to.

The next amendment was, on page 45, line 17, before the word "Hospital," to strike out "Freedman's" and insert "Freedmen's," so as to make the subhead read "Freedmen's Hospital."

The amendment was agreed to.

The next amendment was, on page 45, line 21, before the word "Hospital," strike out "Freedman's" and insert "Freedmen's," so as to read:

The appropriation of \$155,000, contained in the Interior Department appropriation act for the fiscal year 1931, for a hospital addition for obstetrical patients at the Freedmen's Hospital, including necessary equipment and supervision of the work of construction of said building, shall continue available for the same purpose until June 30, 1932.

The amendment was agreed to.

The next amendment was, under the subhead "Contingent expenses, Department of Justice," on page 46, after line 9, to strike out:

For contingent expenses, Department of Justice, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, and for the purchase of a motor-propelled passenger-carrying vehicle at a total cost of not to exceed \$3,000, excluding the exchange allowance of any vehicle given in part payment therefor, fiscal year 1931, \$3,000.

And in lieu thereof to insert:

For contingent expenses, Department of Justice, including the same objects specified under this head in the act making appropriations for the Department of Justice for the fiscal year 1931, and for the purchase of two motor-propelled passenger-carrying vehicles at a total cost of not to exceed \$6,000, excluding the exchange allowance of any vehicle or vehicles given in part payment therefor, \$6,000.

The amendment was agreed to.

The next amendment was, under the subhead "Judicial," on page 48, after line 14, to insert:

United States Court of Customs and Patent Appeals: For printing and binding for the United States Court of Customs and Patent Appeals, fiscal year 1931, \$2,900.

The amendment was agreed to.

The next amendment was, under the subhead "Bureau of Labor Statistics," on page 55, after line 5, to insert:

Salaries and expenses: For an additional amount for salaries and expenses, including the same objects and purposes specified under this head in the act making appropriations for the Department of Labor for the fiscal year 1932 and including not to exceed \$105,000 for personal services in the District of Columbia, \$140,000, of which \$40,000 shall be immediately available.

The amendment was agreed to.

The next amendment was, under the subhead, "Public works, Bureau of Yards and Docks," on page 57, after line 8, to insert:

Navy yard, Charleston, S. C.: For improvement of shipbuilding ways, \$150,000.

The amendment was agreed to.

The next amendment was, on page 60, after line 3, to insert:

#### ALTERATION TO NAVAL VESSELS

Toward the alterations and repairs required for the purpose of modernizing the U. S. S. *New Mexico*, *Mississippi*, and *Idaho*, as authorized by the act entitled "An act to authorize alterations and repairs to certain naval vessels," approved February 28, 1931, fiscal years 1931 and 1932, \$10,000,000, of which approximately an equal amount shall be expended on each ship.

The amendment was agreed to.

The next amendment was, under the subhead "International obligations, commissions, etc.," on page 72, after line 20, to insert:

Fourth Pan American Commercial Conference: To enable the Pan American Union to meet the expenses of the Pan American Commercial Conference to be held in Washington, D. C., in 1931, as provided by the act approved February 20, 1931, fiscal years 1931 and 1932, \$15,000.

The amendment was agreed to.

The next amendment was, on page 73, after line 2, to insert:

International Technical Consulting Committee on Radio Communications: Not to exceed \$290.58 of the appropriation for International Technical Consulting Committee on Radio Communication, made in Public Resolution No. 17, approved June 21, 1929, is hereby made available for the payment of expenses incurred for purposes of entertainment in connection with the meeting of such committee.

The amendment was agreed to.

The next amendment was, on page 73, after line 9, to insert:

Arbitration between the United States and Sweden of the claim of Rederiaktiebolaget Nordstjernan, a Swedish corporation: For the expenses of the arbitration under the special agreement between the United States and Sweden, signed December 17, 1930, of the claim of Rederiaktiebolaget Nordstjernan, a Swedish corporation, arising out of the alleged detention in the United States of two motorships belonging to the corporation, including the share of the United States in the joint expenses of the two Governments under the terms of the agreement; honorarium of the arbitrator or arbitrators; compensation of employees in the District of Columbia and elsewhere (without regard to the civil-service laws and regulations or to the classification act of 1923, as amended), stenographic reporting and translating services, by contract if deemed necessary without regard to section 3709 of the Revised Statutes (U. S. C., title 41, sec. 5); rent in the District of Columbia and elsewhere; traveling expenses and subsistence of per diem in lieu of subsistence (notwithstanding the provisions of any other act); cost of necessary books and documents; stationery; official cards; printing and binding, and such other expenditures as may be authorized by the Secretary of State, and the Secretary of State is authorized to reimburse from this appropriation any other appropriation from which payments may have been made for purposes herein specified, fiscal years 1931 and 1932, \$56,000.

The amendment was agreed to.

The next amendment was, under the subhead "Public Health Service," on page 77, after line 23, to insert:

Laboratory at Hamilton, Mont.: For the acquisition by the United States of the laboratory erected and established by the State of Montana, at Hamilton, Mont., at which are being carried on jointly by said State and the Bureau of Public Health Service studies and research for the prevention, eradication, and cure of



spotted fever and in which is produced serum for the treatment of patients suffering from such malady or likely to contract the same, together with the ground owned by the said State on which such laboratory is situated and the equipment and supplies therein, \$75,000; for the construction on the ground so to be acquired and equipment of another building to be devoted to the same purpose, \$75,000; in all, fiscal years 1931 and 1932, \$150,000.

The amendment was agreed to.

The next amendment was, under the subhead "Projects under section 5 outside the District of Columbia," at the top of page 85, to insert:

Bingham Canyon, Utah, post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$75,000.

The amendment was agreed to.

The next amendment was, on page 95, after line 16, to strike out:

Durham, N. C., post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$550,000: *Provided*, That the building shall be so constructed that court accommodations may be provided later.

And in lieu thereof to insert:

Durham, N. C., post office, courthouse, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$650,000: *Provided*, That the building shall be so constructed to afford court accommodations.

The amendment was agreed to.

The next amendment was, on page 97, line 8, before the word "City," to strike out "Elwood" and insert "Ellwood," so as to read:

Ellwood City, Pa., post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$135,000.

The amendment was agreed to.

The next amendment was, on page 113, line 7, after the word "of," strike out "\$420,000" and insert "\$620,000," so as to read:

New London, Conn., post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$620,000.

The amendment was agreed to.

The next amendment was, on page 118, line 1, before the word "and," to insert "post office," so as to read:

Port Chester, N. Y., post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$320,000.

The amendment was agreed to.

The next amendment was, on page 120, after line 9, to strike out:

Rockingham, N. C., post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$125,000, in lieu of acquisition of site authorized under the act approved March 4, 1913 (37 Stat. 878); and the amount appropriated under the authority of such act is hereby made available toward the purposes herein: *Provided*, That the building shall be so constructed that court accommodations may be provided later.

And in lieu thereof to insert:

Rockingham, N. C., post office, courthouse, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$210,000, in lieu of acquisition of site authorized under the act approved March 4, 1913 (37 Stat. 878); and the amount appropriated under the authority of such act is hereby made available toward the purposes herein: *Provided*, That the building shall be so constructed to afford court accommodations.

The amendment was agreed to.

The next amendment was, on page 124, line 12, after the word "of," to strike out "\$115,000" and insert "\$130,000," so as to read:

Silver City, N. Mex., post office, etc.: For acquisition of site and construction of a building, under an estimated total cost of \$130,000.

The amendment was agreed to.

The next amendment was, on page 126, after line 6, to insert:

Texas City, Tex., post office, etc.: For construction of a building on a site to be donated, under an estimated total cost of \$80,000.

The amendment was agreed to.

The next amendment was, on page 132, after line 5, to insert:

Washington, D. C., Court of Claims Building: For construction of a building, under an estimated total cost of \$1,225,000.

The amendment was agreed to.

The next amendment was, on page 135, after line 2, to insert:

#### FINANCE DEPARTMENT

Pay, etc., of the Army: The sum of \$400,000 of the appropriation for "Subsistence of the Army," contained in the War Department appropriation act, fiscal year 1931, approved May 28, 1930, is hereby made available for expenditure for "Pay of the Army, 1931," including the same objects specified under that head in the War Department appropriation act for the fiscal year 1931.

The amendment was agreed to.

The next amendment was, under the subhead "Quartermaster Corps," on page 135, after line 21, to insert:

For an additional amount required for construction of buildings, utilities, and appurtenances in Porto Rico, authorized by the act approved February 25, 1929, notwithstanding the restriction contained in the War Department appropriation act for the fiscal year 1931, fiscal year 1931 and to remain available until expended, \$188,850.

The amendment was agreed to.

The next amendment was, on page 136, after line 7, to insert:

Government road across Fort Sill (Okla.) Military Reservation: To carry into effect the act entitled "An act to provide for the paving of the Government road across Fort Sill (Okla.) Military Reservation," approved February 27, 1931, fiscal years 1931 and 1932, \$73,528.61.

The amendment was agreed to.

The next amendment was, on page 136, after line 13, to insert:

Repair of docks, Fort Screven, Ga.: For repair of docks at Fort Screven, Ga., fiscal year 1931, \$15,000.

The amendment was agreed to.

The next amendment was, under the heading "War Department—Nonmilitary activities: Quartermaster Corps," on page 139, after line 14, to insert:

The sum of \$126 of the appropriation "National Cemeteries, fiscal year 1929," is hereby continued and made available until June 30, 1932, for the payment of obligations incurred under contract executed prior to July 1, 1929.

The amendment was agreed to.

The next amendment was, on page 140, line 10, after the figures "1932," to strike out "\$118,615" and in lieu thereof to insert "\$237,230," so as to read:

Paving Missionary Ridge Crest Road: For improving and paving the Government road known as the Missionary Ridge Crest Road in the Chickamauga and Chattanooga National Military Park, from Sherman Heights, at the north end of Missionary Ridge, in Tennessee, to the Tennessee-Georgia State line, a distance of approximately 7.2 miles, fiscal years 1931 and 1932, \$237,230.

The amendment was agreed to.

The next amendment was, on page 140, line 13, after the word "road" and the colon, to strike out the following additional proviso:

"*Provided further*, That no part of the appropriation herein made shall be available until the State of Tennessee, or any county or municipality or local subdivision thereof or any highway commission or equivalent public authority of the same, shall contribute at least an equal amount for the same purpose, such equal amount to be expended by the Secretary of War concurrently with the appropriation herein made."

And in lieu thereof to insert—

"*Provided further*, That none of the money herein appropriated shall be expended until the State of Tennessee, or any county or municipality or local subdivision thereof or any highway commission or equivalent public authority of the same, shall have given satisfactory assurances to the Secretary of War that it will at all times maintain said road in good repair."

The amendment was agreed to.

The next amendment was, on page 141, after line 2, to insert:

Paving Missionary Ridge Crest Road and Crest and Gap Road: For improving and paving the Government roads known as the Missionary Ridge Crest Road and the Crest and Gap Road in the Chickamauga and Chattanooga National Military Park, from the



Lafayette Road, in the State of Georgia, to the Tennessee-Georgia State line, a distance of approximately 1.1 miles, fiscal years 1931 and 1932, \$37,770: *Provided*, That none of the money herein appropriated shall be expended until the State of Georgia, or any county or municipality or local subdivision thereof or any highway commission or equivalent public authority of the same, shall have given satisfactory assurances to the Secretary of War that it will at all times maintain said road in good repair.

The amendment was agreed to.

The next amendment was, on page 143, after line 9, to insert:

Tablet to Nancy Hart: For an additional amount for furnishing and erecting a tablet or marker to commemorate the memory of Nancy Hart, in accordance with the provisions of the act approved February 26, 1929, as amended by the act approved February 19, 1931, fiscal years 1931 and 1932, \$650.

The amendment was agreed to.

The next amendment was, on page 144, after line 22, to insert:

#### CORPS OF ENGINEERS

Muscle Shoals: For beginning the construction of the Cove Creek Dam in Tennessee, as provided in Senate Joint Resolution No. 49, approved February —, 1931, \$10,000,000, to be available until approved.

The amendment was agreed to.

The next amendment was, on page 145, after line 2, to insert:

Survey of flood control, Salmon River, Alaska: For survey of the Salmon River, Alaska, with a view to the prevention and control of its floods, as authorized by the act approved January 31, 1931, fiscal years 1931 and 1932, \$800.

The amendment was agreed to.

The next amendment was, under the heading "Judgments and authorized claims: damage claims," on page 169, line 1, after the word "in," to insert "Senate Document No. 284 and"; in line 7, after the name "Navy Department," to strike out "\$661" and insert "\$949.03"; in line 9, to strike out "\$4,768.03" and to insert "\$5,968.20"; and in line 12, after the words "in all," strike out "\$7,805.55" and insert "\$9,293.75," so as to make the paragraph read:

SECTION 1. For the payment of claims for damages to or losses of privately owned property adjusted and determined by the following respective departments under the provisions of the act entitled "An act to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding \$1,000 in any one case," approved December 28, 1922 (U. S. C., title 31, secs. 215-217), as fully set forth in Senate Document No. 284 and House Document No. 765 of the Seventy-first Congress, as follows:

Veterans' Administration, \$194.20;  
Department of Agriculture, \$652.51;  
Department of Commerce, \$23.55;  
Navy Department, \$949.03;  
Post Office Department (out of the postal revenues), \$5,968.20;  
Treasury Department, \$510.16;  
War Department, \$996.10;  
In all, \$9,293.75.

Mr. JONES. I offer an amendment to the committee amendment.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment, on page 169, lines 1 and 2, it is proposed to strike out "Document No. 284" and insert in lieu thereof "Documents Nos. 284 and 301," and after line 6, to insert "Department of the Interior, \$49."

The VICE PRESIDENT. The question is on agreeing to the amendment to the amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed. The next amendment of the Committee on Appropriations was, under the subhead "Judgments, United States courts," on page 170, after line 2, to insert:

For the payment of the judgments, including costs of suits, rendered against the Government by United States district courts in special cases and under the provisions of certain special acts and certified to the Seventy-first Congress in Senate Document No. 285, under the Treasury Department, \$19,906.23.

The amendment was agreed to.

Mr. JONES. I ask unanimous consent that the amendments covering judgments rendered, which are next in order in the bill, may be considered en bloc.

Mr. ROBINSON of Arkansas. What are the amendments to which the Senator refers, and where are they found?

Mr. JONES. They are found in the last part of the bill and relate to judgments and audited claims sent down by the department.

Mr. SMOOT. All of them have been passed on by the Court of Claims.

Mr. ROBINSON of Arkansas. If they have all been approved by the Court of Claims, I have no objection.

Mr. JONES. They have been audited and approved.

Mr. ROBINSON of Arkansas. Very well.

The VICE PRESIDENT. Without objection, the amendments will be considered and agreed to en bloc.

The amendments agreed to en bloc are as follows:

Under the subhead, "Judgments, Court of Claims," on page 170, line 19, after the word "in," to insert "Documents Nos. 286 and 294 and"; in line 23, after the name "Navy Department," strike out "\$16,198.58" and insert "\$152,200.24"; in line 24, after the name "War Department," to strike out "\$398,703.25" and insert "\$525,220.42"; and in line 25, after the words "in all," to strike out "\$582,904.56" and insert "\$845,423.39," so as to make the paragraph read:

Sec. 3. For payment of the judgments rendered by the Court of Claims and reported to the Seventy-first Congress in Senate Documents Nos. 286 and 294 and House Document No. 760, under the following departments and establishments, namely: United States Food Administration, \$167,026.35; Department of Justice, \$11.15; Navy Department, \$152,200.24; Treasury Department, \$965.23; War Department, \$525,220.42; in all, \$845,423.39, together with such additional sum as may be necessary to pay interest on certain of the judgments at the legal rate per annum as and where specified in such judgments.

And on page 176, after line 14, to insert:

#### AUDITED CLAIMS

Sec. 5. That for the payment of the following claims, certified to be due by the General Accounting Office under appropriations the balances of which have been carried to the surplus fund under the provisions of section 5 of the act of June 20, 1874 (U. S. C., title 31, sec. 713), and under appropriations heretofore treated as permanent, being for the service of the fiscal year 1928 and prior years, unless otherwise stated, and which have been certified to Congress under section 2 of the act of July 7, 1884 (U. S. C., title 5, sec. 266), as fully set forth in Senate Document No. 281, Seventy-first Congress, there is appropriated as follows:

#### INDEPENDENT OFFICES

For Interstate Commerce Commission, \$2.20.  
For salaries and expenses, Veterans' Bureau, \$3.  
For vocational rehabilitation, Veterans' Bureau, \$64.16.  
For military and naval compensation, Veterans' Bureau, \$10.

#### DEPARTMENT OF AGRICULTURE

For general expenses, Bureau of Animal Industry, \$257.33.  
For general expenses, Forest Service, \$2.50.

#### DEPARTMENT OF COMMERCE

For increase of compensation, Department of Commerce, \$160.33.  
For party expenses, Coast and Geodetic Survey, \$53.61.

#### DEPARTMENT OF THE INTERIOR

For relieving distress and prevention, etc., of diseases among Indians, \$45.

#### DEPARTMENT OF JUSTICE

For detection and prosecution of crimes, \$2.40.  
For salaries, fees, and expenses of marshals, United States courts, \$96.06.  
For pay of special assistant attorneys, United States courts, \$3,000.

#### NAVY DEPARTMENT

For pay, miscellaneous, \$5.50.  
For transportation, Bureau of Navigation, \$2.90.  
For ordnance and ordnance stores, Bureau of Ordnance, \$189.26.  
For pay of the Navy, \$1,103.15.  
For pay, subsistence, and transportation, Navy, \$128.78.  
For freight, Bureau of Supplies and Accounts, \$400.25.

#### POST OFFICE DEPARTMENT—POSTAL SERVICE

(Out of the postal revenues)

For compensation to postmasters, \$50.98.  
For indemnities, domestic mail, \$113.85.  
For indemnities, international mail, \$37.41.

#### DEPARTMENT OF STATE

For salaries, Foreign Service officers, \$154.38.

#### TREASURY DEPARTMENT

For collecting the revenue from customs, \$124.52.  
For Coast Guard, \$2,006.16.  
For pay and allowances, Coast Guard, \$1,126.17.  
For enforcement of narcotic and national prohibition acts, internal revenue, \$1,045.34.  
For pay of other employees, Public Health Service, \$1.



## WAR DEPARTMENT

For pay, etc., of the Army (longevity act of January 29, 1927), \$1,206.88.

For pay, etc., of the Army, \$2,568.89.

For pay of the Army, \$123.84.

For arrears of pay, bounty, etc., \$43.73.

For mileage of the Army, \$49.92.

For increase of compensation, Military Establishment, \$291.56.

For Army transportation, \$53.80.

For clothing and equipage, \$682.88.

For general appropriations, Quartermaster Corps, \$105.38.

For subsistence of the Army, \$8.40.

For medical and hospital department, \$82.76.

For Signal Service of the Army, \$465.

For Air Service, Army, \$362.50.

For arming, equipping, and training the National Guard, \$5.

For pay of the National Guard for armory drills, \$90.60.

Total, audited claims, section 5, \$16,327.38, together with such additional sum due to increases in rates of exchange as may be necessary to pay claims in the foreign currency as specified in certain of the settlements of the General Accounting Office.

The VICE PRESIDENT. That completes the committee amendments.

Mr. JONES. I have a few committee amendments I desire to offer.

The VICE PRESIDENT. The Secretary will state the first amendment offered by the Senator from Washington on behalf of the committee.

The CHIEF CLERK. On page 4, after line 2, it is proposed to insert:

Traveling expenses: The limitations of \$2,500 placed on expenses for travel on official business under the Architect of the Capitol contained in the legislative appropriation act for the fiscal year 1931 is hereby increased to \$4,000.

The amendment was agreed to.

Mr. JONES. Mr. President, I offer another committee amendment.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 21, it is proposed to insert:

The Public Printer may continue the employment under his jurisdiction of William Madden, CONGRESSIONAL RECORD messenger at the Capitol, notwithstanding any provision of the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and any amendment thereof, prohibiting extensions of service for more than four years after the age of retirement.

Mr. ROBINSON of Arkansas. Mr. President, what is the explanation of that amendment?

Mr. JONES. This man is the one who carries the speeches around at all times of the day and night for correction by Senators. Everybody seems to think he is such an efficient man, especially in that line of work, that they felt that they would not like to have his services terminated until absolutely necessary, so the committee recommends this extension of time.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I offer a further amendment on behalf of the committee.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 15, after line 18, it is proposed to insert:

GEORGE WASHINGTON BICENTENNIAL COMMISSION, DISTRICT OF COLUMBIA

For expenses of the District of Columbia Commission for the George Washington Bicentennial, as authorized by the act approved February 24, 1931, fiscal years 1931 and 1932, \$100,000, including rent of offices, postage, traveling expenses, employment of personal services without reference to the classification act of 1923, as amended, and all other necessary and incidental expenses.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I offer the amendment which I send to the desk to take care of an act that has passed both Houses, and, as I understand, has just been signed by the President.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 15, after line 18, it is proposed to insert:

DEPARTMENT OF VEHICLES AND TRAFFIC, DISTRICT OF COLUMBIA

For personal services, fiscal year 1932, \$34,300, together with the amount of \$36,060 for personal services, office of the director

of traffic, contained in the District of Columbia appropriation act for the fiscal year 1932, payable in like manner as other appropriations for the District of Columbia for the fiscal year 1932 are paid: *Provided*, That the appropriation of \$80,100 contained in the District of Columbia appropriation act for the fiscal year 1932 for purchase and installation of electric traffic lights, etc., office of the director of traffic, shall be available for similar expenditures under the department of vehicles and traffic, District of Columbia (act of February —, 1931).

Mr. ROBINSON of Arkansas. Mr. President, what is the department of vehicles and traffic?

Mr. JONES. This amendment is really to carry out a new law that we have passed for the control of traffic here in the District of Columbia. We have done away, I think, with the director of traffic, and have provided a new organization to handle it.

Mr. ROBINSON of Arkansas. That is the name of the new organization—the department of vehicles and traffic?

Mr. JONES. I understand so.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I also offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 4, after line 21, it is proposed to insert the following as a new paragraph:

Western irrigation agriculture: For an additional amount for western irrigation agriculture, including the same objects specified under this head in the Agricultural appropriation act for the fiscal year 1931, fiscal years 1931 and 1932, \$35,000.

Mr. ROBINSON of Arkansas. Mr. President, I think there should be an explanation of that amendment.

Mr. JONES. The Senator from Oregon [Mr. STEIWER] can explain the necessity for the amendment. It relates to the Hermiston irrigation project, and the \$35,000 is for a transfer of the experiment station there.

Mr. STEIWER. Mr. President, it should not be necessary to make a detailed explanation of this amendment; but for the information of the Senate I will state that on the Umatilla project, which is a Government project, there is now an experiment station. It has been there, I think, for some 15 years. It is a very small station, and it has proved to be absolutely inadequate.

This station is operated by the Government of the United States and the State College of Oregon as partners. On account of certain troubles on the project the State has threatened to withdraw its participation. Indeed, I think it may have already given notice that it will do so unless a more adequate station is provided.

It happens that the United States owns in the same neighborhood another tract of land upon which it has a water right. The purpose of this amendment is merely to provide the money with which the Government and the State may jointly continue their operations and move them over to the other tract of land.

Specifically the money is for constructing the necessary buildings and improvements on the new tract. It is a station that is very much desired by the people, and is supported both by the department and by the State college.

If it were necessary to make a fuller explanation I should be glad to do so, but I hope that will suffice.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

Mr. STEIWER. I yield.

Mr. TRAMMELL. I do not know that I have any objection to the amendment, but I should like to ask the Senator if it is in accordance with a bill that has been passed at this session of Congress.

Mr. STEIWER. Yes; I neglected to state that. The same item passed the Senate once before.

Mr. TRAMMELL. At this session of Congress?

Mr. STEIWER. Yes.

Mr. TRAMMELL. Since we convened in December?

Mr. STEIWER. Yes. I can not tell the Senator the date upon which it was done, but it was agreed to once before.

Mr. TRAMMELL. I should like to know, just for information, whether it was since the Senate convened in December.



Mr. STEIWER. Yes; it was since December. If the State is permitted to withdraw its participation, the Department of Agriculture has indicated that it will abandon the station, and this station which is under irrigation will be permitted to dry up and blow away. The damage will all have been done long before the next session of Congress. If we are going to save the station, we must take the necessary action now.

Mr. TRAMMELL. I have no objection to the amendment.

Mr. KING. Mr. President, will the Senator yield for a question?

Mr. STEIWER. I yield.

Mr. KING. I am interested to know whether this is a reclamation project that is payable out of the reclamation fund, or is it a project which has no connection with the reclamation law, the Newlands Act, and comes out of the General Treasury?

Mr. STEIWER. Oh, no; it is one of the reclamation projects of our Government. I might say in that connection that this project was established by the Reclamation Service on an area that was then sagebrush and desert; and the Government then invited the settlers to go upon it, representing to them that the land was desirable and useful for certain agricultural and horticultural purposes. It happens that the Government's representations, made in writing and in literature scattered all over this country, have not proved to be true. All that the settlers here now ask is that the Government cooperate with them in trying to work out a new and different system of agriculture that may survive.

Mr. KING. I was not objecting; but I was wondering, if this is a reclamation project, why it is not payable out of the reclamation fund, instead of charging the Treasury and the people of the United States with a matter that belongs to the Reclamation Service.

Mr. STEIWER. There are two reasons, I think. There is no money available in the reclamation fund at this time. Besides that, I think there is no precedent for the procedure suggested. In all cases where experiment stations are maintained by the Government they are operated by the Department of Agriculture.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington on behalf of the committee.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, before the Senator from Washington presents the next committee amendment, may I ask him what has been the action of the committee, if any, concerning the veterans' hospital and soldiers' home bill which passed the Senate recently? Is anything included in this bill to carry out the provisions of that measure?

Mr. JONES. There is nothing in this bill for that. Nothing was called to our attention with regard to it.

Mr. SMOOT rose.

Mr. LA FOLLETTE. Then may I ask the Senator from Utah what the program is concerning that work?

Mr. SMOOT. Mr. President, I understand that the program is to send over a specific appropriation for that purpose.

Mr. JONES. I may say to the Senator and to the Senate that I understand some legislation may be enacted after this bill gets through.

Mr. ROBINSON of Arkansas. Mr. President, I presume the reason why the hospital item was not embraced in the deficiency bill under consideration is that it has not finally passed yet.

Mr. SMOOT. This bill was in the hands of the Senate at the very time the hospital bill was passed; so, of course, the House could not attach it.

Mr. JONES. Under our rules we have authority to put an item in a bill to carry out legislation that has passed the Senate at this session; and several of our items come under that head.

Mr. ROBINSON of Arkansas. I join in the inquiry as to why the hospitalization item was not incorporated.

Mr. JONES. That, I think, had not passed the Senate when this bill was reported.

Mr. LA FOLLETTE. Mr. President, the Senator from Washington reported the bill on yesterday, as I understand;

but, in any case, may I say to the Senator from Arkansas that in several instances this year the Senate has attached amendments to appropriation bills to carry out bills which the Senate has passed and which are awaiting action in the House.

Mr. JONES. Yes.

Mr. LA FOLLETTE. It did seem to me that if we wanted to make sure that we were going to carry out this program it might be wise to include an authorization in this bill.

Mr. JONES. It would be in order for some Senator to prepare an amendment to carry out the hospitalization bill. It would be in order on this bill now.

Mr. SMOOT. I will prepare the necessary amendment. I shall get the exact amount before the bill passes, although I hope the House will not take exception to it, because they have already stated that they will pass a bill in the House and send it over here.

Mr. LA FOLLETTE. But the Senator realizes the lateness of the time in the session; and if we are going to get it in, it seems to me the wise thing to do is to put it into this appropriation bill, in which so many Senators and Congressmen are interested.

Mr. SMITH. Mr. President, may I ask the Senator from Utah what plan he said was being proposed, other than incorporating the matter in this bill?

Mr. SMOOT. Mr. President, the House intends to send over an appropriation bill at the last moment to cover a number of items; and included in that bill will be the money for the hospitalization bill.

Mr. ROBINSON of Arkansas. For myself, I do not see any objection at all to that arrangement. We, of course, desire to understand about it. There probably will be other measures passed, even after this date, that will call for deficiency appropriations, and they can be incorporated in the bill to which the Senator from Utah refers. In all probability there will be no difficulty in securing its passage.

Mr. SMITH. Mr. President, may I ask the Senator what information he has as to the time when the appropriation for the soldiers' hospital bill will be available for us to act on it—both this body and the other?

Mr. SMOOT. I think it may be made immediately available, but I do not know.

Mr. SMITH. No; I mean how long will it be before the question is settled after we have voted down the President's veto, as I presume we will do? I desire to know if then we will have ample time in which to make the appropriation of the necessary amount.

Mr. SMOOT. I am quite sure that if the program is carried out, the bill will be over here in the early part of next week, Monday or Tuesday. I am quite sure it will not be later than that.

Mr. SMITH. I have no objection to that procedure; but I should like to be sure about the appropriation.

Mr. SWANSON. Mr. President—

Mr. JONES. I yield to the Senator from Virginia.

Mr. SWANSON. As I understand, the appropriations for the construction of hospitals by the Federal bureau amount to \$20,877,000. There are provided in this bill, as has been very properly stated, appropriations to carry out measures which have been passed by the Senate, and which, under the rule, are not subject to points of order. I do not see why the Senator from Utah—

Mr. JONES. I think the Senator from Utah is making arrangements to have an amendment prepared.

Mr. SWANSON. I think he ought to, because he had charge of the bill that was passed; and, if he does not prepare the amendment and offer it, some of us interested in this matter will insist that such an amendment be voted into this bill. I think the Senator from Utah ought to offer that as an amendment to this bill, as he had charge of the bill, and not let it go over and take the chance of getting a separate appropriation. I will not consent to that.

Mr. SMOOT. If the Senator will yield, I will have the amendment ready in a few moments.

Mr. REED. I think the reason for the difficulty is that when we passed the veterans' hospital bill we increased the



amount from \$12,500,000 to \$20,877,000. We have been expecting to get a message from the House asking for a conference on that bill, but up to the present time that has not come. Presumably, the item was not put into this bill because it was not known how much was to be needed.

Mr. ROBINSON of Arkansas. Mr. President, the House is considering the question now, or was just a few moments ago.

Mr. REED. I thank the Senator. May I suggest that we have only six business days left of this session. There is no telling how long the conference on the hospital bill will last. It seems to me that it is highly wise for us to put the item in this bill, as suggested by the Senator from Wisconsin and the Senator from Virginia, in the amount of \$20,877,000; and when the conference on the hospital bill is settled and the amount finally fixed the conferees on this bill can, without any further action, fix the exact amount of the appropriation. I hope that will be done.

Mr. SMOOT. Mr. President, I thought I had a copy of the bill here, but I find I have not, and I have sent to the document room for it. I am quite sure that before the pending bill is disposed of, as there are a number of individual amendments to be offered, I will be prepared to offer the appropriate amendment to the pending bill. It will cover the full amount, \$20,877,000.

Mr. SMITH. Mr. President, how much was the House appropriation? It was \$12,000,000, was it not?

Mr. SMOOT. Twelve million five hundred thousand dollars.

Mr. SMITH. We increased it by about \$8,000,000?

Mr. SMOOT. Yes.

Mr. SMITH. It is about \$20,000,000 now?

Mr. SMOOT. Twenty million eight hundred and seventy-seven thousand dollars.

Mr. SMITH. If we could incorporate an amendment covering that amount in this bill, and then adjust the difference, if there is any, in the conference report, that would be safe.

Mr. JONES. That will be done. Now, I offer the amendment which I send to the desk.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. The Senator from Washington offers the following amendment on behalf of the committee: On page 74, after line 11, insert:

Payment of an indemnity to the British Government on account of losses sustained by H. W. Bennett, a British subject: For payment to the British Government as full reimbursement for losses sustained by H. W. Bennett, a British subject, in connection with the rescue of survivors of the U. S. S. *Cherokee*, in February, 1919, as authorized by the act approved February 24, 1931, §400.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I offer the following committee amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 74, after line 11, insert:

International Exposition of Colonial and Overseas Countries, Paris, France: For an additional amount for the expenses of participation by the United States, as authorized by public resolutions approved June 24, 1930, and February 24, 1931, in an International Exposition of Colonial and Overseas Countries to be held at Paris, France, in 1931, and for all purposes of the said resolutions, fiscal year 1931 and to remain available until expended, \$50,000.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. JONES. I offer the following committee amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 112, after line 15, insert:

New Bern, N. C., courthouse, customhouse, and so forth: The proviso in the act of July 3, 1930, that no new site shall be acquired unless the city of New Bern shall agree to purchase the old site and building for a sum not less than the cost of the new site, and in the event that such an agreement is entered into, the

Secretary of the Treasury may sell such a site and building to the city on such terms as he may deem proper, is hereby repealed.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. JONES. I also offer the following committee amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. On page 115, after line 15, insert:

Omaha, Nebr., Federal office building: For demolition of building and construction of a new building on a site owned by the Government, under an estimated total cost of \$740,000, and there is hereby transferred from the War Department to the Treasury Department the land comprising the site of the old Post Office and Customhouse Building at Omaha, Nebr., together with the improvements thereon, which was turned over by the Secretary of the Treasury to the Secretary of War, under authority of the act of Congress, approved January 21, 1889 (25 Stat. 652).

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. JONES. Mr. President, I am going to offer now an amendment on behalf of the committee, but I think I should make a brief statement about it. I shall not consider this a precedent for the future. It is an item which reads:

Fort Pierce Harbor: For dredging the channel of Fort Pierce Harbor, Fla., fiscal years 1931 and 1932, \$20,000.

This is not an adopted project. It has never been reported upon by the engineers. But it was shown to the committee that the people of this locality have constructed a channel in connection with a harbor out to deep water at an expense of over \$2,000,000. That was done without any aid or assistance on the part of the Federal Government.

The community has suffered a great many disasters recently. One of them was the hurricane about which we have heard, which did a great deal of damage. All the banks in the locality have closed. Many of the people have gone into bankruptcy, and they are in a very deplorable financial condition.

A bar has formed in the channel which the people constructed. It is informally estimated by the engineers that it will cost about \$20,000 to take out the bar. The bar hinders the passage of ships between this port and other ports along the Atlantic coast. The people of the locality say that it is absolutely impossible for them to raise the money to do this work, and they have appealed to the Congress for this \$20,000, giving us assurances that they will maintain the channel hereafter.

As I have said, this channel has not been surveyed; it is not a project which Congress has approved; but the deplorable condition of things appealed to the committee, so we recommend the adoption of the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. JONES. Mr. President, the junior Senator from Illinois [Mr. GLENN] has an amendment to offer on behalf of the committee.

Mr. GLENN. Mr. President, I offer the following amendment.

The PRESIDENT pro tempore. The amendment will be stated.

The CHIEF CLERK. The Senator from Illinois, on behalf of the committee, moves, on page 171, after line 20, to insert:

The United States Court of Claims be, and it is hereby, authorized and directed, notwithstanding any rule of court, proceedings had, or provision of law to the contrary, to grant the United States a new trial in the case of Pocono Pines Assembly Hotels Co. v. United States of America, No. J-543, and hear the testimony, find the facts, and render judgment accordingly on the matter of the responsibility under the facts and the provisions of the lease agreement involved for the fires and the damage and destruction of leased property thereby which occurred during the lease term. The Department of Justice is hereby authorized and directed, on behalf of the United States, defendant in said action, to present to the Court of Claims all available evidence bearing upon the cause and origin of said fires and such other matters as will fully protect the interests of the United States therein. Any



right in either party to said action to obtain review by the Supreme Court of the United States of the proceedings had pursuant hereto shall not be curtailed by any provision hereof.

Mr. ROBINSON of Arkansas. Mr. President, this appears to be an unusual provision. It directs a court to grant a new trial. Of course, there may be some justification for such action, but I think legislative direction to a court to render a particular decision should be open to very careful scrutiny. The courts are presumed to decide cases before them in accordance with rules of law.

Mr. JONES. I think the Senator from Illinois can explain it fully.

Mr. ROBINSON of Arkansas. I think an explanation is due.

Mr. GLENN. Mr. President, some years ago the Government leased a hotel property in Pennsylvania.

Mr. ROBINSON of Arkansas. How long ago?

Mr. GLENN. About 8 or 10 years ago. The Government leased a hotel property, including the main hotel building and a number of cottages and a garage, in the Pocono Hills in the State of Pennsylvania, for hospitalization purposes, for the veterans. The lease contained among others a provision that at the expiration of the term the property should be delivered back to the owners in the condition in which it was taken by the Government, loss by fire and on account of some other causes excepted.

Two fires occurred during the term of the lease. First the garage building was destroyed by fire, which was a small loss. Then later the entire main hotel building was destroyed by fire.

A suit was entered by the owners, under the provisions of the lease, making claim that the Government had not complied with the lease because it failed to return the property in the condition in which it was received. Counsel for the Government relied exclusively upon a question of law, taking the position that the fire having been proved, the burden of proof was upon the lessors to prove that the fire was the result of the negligence or the fault of the Government. The court ruled against the Government's contention upon that point of law.

The Government lawyers rested their case. They introduced no proof as to value of property or the amount of loss or the origin or cause of the fire.

A judgment was entered by the Court of Claims for some \$227,000, and the usual motion for new trial and rehearing were entered and denied by the Court of Claims.

The facts, as shown by the report of the Comptroller General, are about as follows:

This property, a large building, had a large porch out over the first floor. The porch was not covered with metal or slate, but there was a wooden covering. A large number of veterans were in the hotel building from time to time. A fire broke out, and the evidence seemed to indicate that the fire came as the result of defective wiring in the roof of the porch.

There was a rain on the day of the fire before the fire. The contention of the lessors was, apparently, that the fire came as the result of a lighted cigarette or cigar being thrown out upon the roof.

That question was not contested. There is evidence submitted now in the form of affidavits that the fire when first seen was breaking out between the boards of the roof and not upon the surface of the roof. There is also evidence at least tending to establish the fact that at the time immediately prior to the breaking out and discovery of the fire there were no persons on the floors above the porch where the fire broke out. That is one element of defense, that the fire was not the result of the negligence of the Government, but came as a result of defective wiring. I think it is probably unnecessary to go into any detail about that matter.

Another possible defense for the Government is a provision in the lease which required the lessors of the property to establish and maintain fire protection. The affidavits disclose that there was not only no water pressure at the hotel building at the time the fire broke out, but that the pressure was turned off and the superintendent for the lessors—they kept one superintendent there to superintend the

property—had to go a distance of half a mile to start the pumps to make the water supply available. By the time he had made that trip and the pressure came on, the building was destroyed or the fire was so far along that the building could not be saved.

Those are the main elements of possible defense for the Government. I may say further that the Government introduced no proof, as I said, as to the value of the property destroyed. The only proof in the record is the proof of the owners, which went to the reconstruction cost of the building, making no allowance for depreciation.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. GLENN. Certainly.

Mr. ROBINSON of Arkansas. What was the amount of the judgment rendered by the court?

Mr. GLENN. It was in the sum of \$227,000.

Mr. ROBINSON of Arkansas. Against the Government?

Mr. GLENN. Yes; against the Government.

Mr. ROBINSON of Arkansas. May I point out to the Senator from Illinois, who has had very great experience as a lawyer, that this, in my judgment, is a very questionable proceeding. What happened is that the Government tried the cause and lost its case. I wonder if there is a Senator here who thinks if the other parties to the controversy had lost the case and it appeared that the losing side in that event had not been as well represented as it might have been, the Congress of the United States should be asked to direct the court to render a judgment which the court itself is not willing to render.

Mr. JONES. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Washington?

Mr. GLENN. I yield.

Mr. JONES. May I suggest to the Senator that the Court of Claims is not a usual court? It is considered as more in the nature of an adviser to Congress than otherwise, and this is not an unusual proceeding, so far as the Congress and the Court of Claims is concerned.

Mr. ROBINSON of Arkansas. I can not recall in my experience when the Court of Claims has been directed to grant a new trial.

Mr. JONES. I can not say that it has been directed to grant a new trial, but it has been directed to report to the Congress.

Mr. ROBINSON of Arkansas. Oh, yes; but that is a different matter. The Court of Claims, like all other judicial bodies, tries the cases before it in accordance with the rules fixed by the Congress. In this case there is no complaint that the court acted arbitrarily. The implied complaint is that the Government attorneys did not try their case well. In a great many lawsuits it happens that one side or the other is better presented, and the natural advantage that comes from that sort of procedure results.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Idaho?

Mr. GLENN. I yield.

Mr. BORAH. Unless there is something in the creation of the Court of Claims that puts it under the control of Congress the proposition here made would be a nullity. We could not direct the ordinary court to render a judgment. I do not know of anything in the creation of the Court of Claims that would place it on a different footing.

Mr. ROBINSON of Arkansas. Certainly not. The Congress does direct the Court of Claims to try cases, and it sometimes fixes the rules, but I have never before in my entire experience, either as a legislator or as a lawyer, heard of changing the rule after the trial had been had. If the Senator from Washington or the Senator from Illinois can cite an instance in which a case has been referred to a court in any jurisdiction in this country, the rules fixed, the trial had, and then by legislative procedure the rules changed after the trial had been had and the case decided, I should be glad to have him do so.

Mr. GLENN. Mr. President, I may say that this struck me as a very unusual procedure. I have been a member



of the Committee on Claims just long enough to learn that in matters of claims against the Government the statute of limitations, for instance, is frequently waived. Nearly every day a bill is presented waiving the statute of limitations or some recognized and established law of the Government. I have seen it happen often that we have given a claimant against the Government, who had a case that appeared meritorious in good morals and good equity and good conscience, the opportunity to have his case tried before the Court of Claims despite the statute of limitations. We have changed that law frequently in favor of claimants against the Government. But I thought this was not a usual case.

Mr. ROBINSON of Arkansas. The Senator concluded that a similar act of injustice, if I may term it such, might be done in favor of the Government against its citizens. Let me point out to the Senate just what the language is. It is extraordinary. The lawyers in this body should listen to it. It directs a judgment. The language is:

That the United States Court of Claims be, and it is hereby, authorized and directed, notwithstanding any rule of the court, proceedings had, or provision of law to the contrary—

And so forth. The proposal is that the Congress shall direct the court to violate the law which Congress has enacted. It is the most unconscionable proposal I have ever heard of being submitted to Congress. I do not, of course, refer to the conduct of the Senator from Illinois in presenting it. I refer to the representatives of the Government who, having tried and lost their case, come here now and ask the Congress to say that, notwithstanding the law is against the Government, and in spite of the law which has been enacted governing the matter, the Congress shall direct the court to render a decision.

I thank the Senator from Illinois for yielding to me.

Mr. GLENN. Mr. President, I may say to the Senator from Arkansas that this provision is proposed to be inserted in the bill not for the benefit of the Government. We do not need the provision for that purpose at all. It is put in for the protection of the claimant. That may seem strange, but it is true. Why? The judgment of the Court of Claims is unavailing unless we make an appropriation to pay it and it is not final or binding until we make that appropriation.

I have no feeling about the matter at all. It was referred to me as a member of the subcommittee. But I say that when we put this provision in we put it in so that we would not deny to these people the right finally to be heard. We can stand arbitrarily without the provision, if the Senator from Arkansas please; we can just stand on our rights and say we do not believe that this is a just claim against the Government, and the claim would fail. But we do not do that. We say, "You can go into court and have this case fairly heard."

Mr. REED. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. GLENN. I yield.

Mr. REED. I do not think the Appropriations Committee has been very fair in this matter. I agree with every word said by the Senator from Arkansas [Mr. ROBINSON], but I want to add this statement:

When the first deficiency bill was up this item was included; that is to say, there was included an item of appropriation to pay this identical judgment. The Appropriations Committee invited me to come before them and asked then if there would be any objection to striking out the item from the first deficiency bill so that the Comptroller General might investigate it. I said, "There is a judgment that would seem to bind the United States, but if you want to investigate it certainly pass it over to the second deficiency appropriation bill."

Now, without a word further this amendment is authorized by the committee, which not only does not appropriate the money but would strike down the judgment altogether without hearing from the claimants, without giving any notice to the Senators from their State, without any opportunity for those on the other side to be heard. I say,

Mr. President, that it is offensive to one's sense of justice, and I am going to offer an amendment adding to the amounts appropriated for the payment of judgments the amount by which this claimant has received judgment against the United States.

Mr. GLENN. May I say to the Senator from Pennsylvania that I knew nothing about the matter—

Mr. REED. I do not blame the Senator from Illinois about it. It is not personal to him, and I hope he understands that.

Mr. GLENN. Certainly.

Mr. ROBINSON of Arkansas. Mr. President, when the Senator from Illinois [Mr. GLENN] was first interrupted the sole information that I had was derived from the language of the amendment itself. I have already said that never before in my experience either as a legislator or as a lawyer have I seen a legislative body attempt to direct a court to violate and disregard the law which that same legislative body had prescribed for the government of the proceedings of the court. But now, from the statement of the Senator from Pennsylvania, the information is derived that it is a positive effort on the part of the Government to prevent the proper execution of a judgment which has been rendered in accordance with due process of law. If it is necessary to do so, in order to prevent the incorporation of this amendment in the bill, I shall take a considerable amount of time in discussing it.

Mr. LA FOLLETTE. Mr. President, may I suggest to the Senator from Arkansas that it is clearly subject to a point of order?

Mr. ROBINSON of Arkansas. I make the point of order then.

The PRESIDENT pro tempore. The Senator will state the grounds upon which he makes the point of order.

Mr. ROBINSON of Arkansas. That it is legislation on a general appropriation bill. Plainly it attempts to confer an authority of law on the Court of Claims which that court does not now have. It undertakes to set aside by legislative action a judgment by the Court of Claims. Undoubtedly it is obnoxious on the ground that it is legislation on a general appropriation bill.

Mr. GLENN. I confess the point of order.

Mr. BRATTON. Mr. President, when this matter was brought to the attention of the Committee on Appropriations the chairman of that committee referred it to a subcommittee consisting of the Senator from Illinois [Mr. GLENN], the Senator from Oregon [Mr. STEWART], and myself. We gave the matter thorough consideration. I think the Senator from Arkansas employs rather intemperate language when he characterizes it as "the most unconscionable thing ever done by the Congress."

Mr. McKELLAR. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield to the Senator from Tennessee?

Mr. BRATTON. I yield.

Mr. McKELLAR. Does the Senator recall any other instance in the history of Congress where by act of Congress a judge of a court was directed to enter a new trial in a case—

Mr. ROBINSON of Arkansas. And in violation of law.

Mr. McKELLAR. Which may or may not be in violation of law.

Mr. BRATTON. This is not in violation of any law.

Mr. McKELLAR. But here is what is proposed to be done, in terms: It is proposed to direct the judge who has already passed on the case, after the three months have expired in which a new trial can be granted, again to take up that case and enter a new trial. It seems to me that that is something which is absolutely unheard of under the law of the land.

Mr. BRATTON. Mr. President, if I may have the Senator's attention, I will state the facts. It is a matter of utter indifference to me what Congress does with the claim. If it shall be paid, Mr. President, the claimants will get from the Treasury \$227,000 to which they are not entitled in law or under the facts.



Let me repeat that the Senator from Illinois, the Senator from Oregon, and I gave the matter thorough consideration, and if we stamped our approval upon an unconscionable proposal, we did not intend to do so. I say that in view of the statement of the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I raise no question of that kind.

Mr. BRATTON. Here are the facts.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Mexico yield; and if so, to whom?

Mr. BRATTON. I should like to state the facts. I am not going to take much time in discussing them.

The corporation in question leased certain property to the Government. The lease contained a provision requiring the return of the property, acts of God excepted. This hotel building burned and, of course, was not returned at the expiration of the lease. The owner then filed suit for the value of the property. The attorney representing the Government felt that under the terms of the lease upon showing destruction by fire the burden shifted to the plaintiff to show that the fire was the result of negligence on the part of the Government, the attorney for the plaintiff believing, on the other hand, that, under the terms of the lease, when he showed that the property was destroyed by fire, the burden rested upon the Government to show that it was not at fault, the legal proposition between them being where the burden rested. So the attorney for the Government tried his case upon that theory.

Judgment was rendered for \$227,000; a motion for rehearing was presented and denied. A second motion for rehearing was presented, to which was attached, in affidavit form, proof showing that the Government has three separate defenses to the merits of the case. In my opinion, the Government can prevail upon any one of those three contentions. They are these:

According to the theory of the plaintiff, the fire originated by throwing a lighted cigarette or cigar upon a shingle roof. There is no doubt but that the Government notified the owner weeks before the fire occurred that that shingle roof was dangerous, and that it should be replaced with an asbestos or metal roof. Instead of heeding the warning and replacing the roof with an asbestos or metal covering, the owner let it remain in that condition. According to his theory, the fire originated by a lighted cigarette or cigar being thrown upon the roof, the danger of which had been called to his attention.

Mr. REED. Mr. President, will the Senator from New Mexico yield for a question?

Mr. BRATTON. Yes.

Mr. REED. Admitting all that for the purpose of the argument, suppose the claimant's lawyer had made a mistake about the burden of proof, and had neglected to apply in time for a rehearing, or for reasons that seemed just to the court a rehearing or a new trial had been denied, would the Senator be in favor of putting a provision in an appropriation act ordering the Court of Claims to give that claimant another trial?

Mr. BRATTON. That is an entirely different situation.

Mr. REED. It involves exactly the same question.

Mr. BRATTON. It is a different situation entirely.

The second point is this—

Mr. REED. Mr. President—

Mr. BRATTON. If the Senator will let me state the facts, then I shall be glad to answer any question either from him or the Senator from Arkansas.

According to evidence in the hands of the Government, the fire originated from defective wiring between the shingle roof of the porch, to which I have referred, and the ceiling of the porch.

The third theory on which the Government can prevail, according to my view, is that the lease required the owner to maintain an adequate supply of water for protection of the property, but when the fire occurred there was no water available; the caretaker, an employee of the owner, had to go half a mile to start the pump before any water was avail-

able. Of course, if the owner failed to provide water, as the lease required him to do, that was contributory negligence on his part. So it is my belief that under either one of those three theories the Government can defeat recovery in the case. No one of them has ever been passed upon by the court.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. BRATTON. Yes.

Mr. ROBINSON of Arkansas. Suppose it were possible, which I do not think it is, for the Congress to compel the court to grant a new trial and to render the decision which the Senator from New Mexico thinks ought to have been rendered in the first place, and the attorney for the Government should decline to take the view of the case the Senator from New Mexico takes, but should try the case and lose it again, would the Senator from New Mexico think that Congress ought to continue to set aside the judgment of the court until a lawyer could be procured by the Government who would try the case efficiently and successfully?

Mr. BRATTON. No.

Mr. ROBINSON of Arkansas. Mr. President, it is perfectly apparent to me that the Government had its day in court and that the case was tried in accordance with the policy adopted by the Government's attorneys. That is what the Government has attorneys for. If the case had been lost by the other side, no one here would be suggesting that a new trial be granted in the interest of the claimant. He would have to take the responsibility for the incompetency, if I may use that term, of his lawyer. There has been no direct suggestion here that the Government's attorney was incompetent or corrupt or indifferent in the performance of his duty. The suggestion is that he just did not try the case in the way that Members of the Senate who have studied the case think it ought to have been tried. They may be right and the attorneys may have been wrong; or, on the other hand, a different rule may apply; but to say that, in spite of the law governing the procedure of the court, in spite of the court's rules adopted pursuant to law, the court should be directed to enter a different judgment from that which the court found ought to be rendered, I repeat, is repugnant to a sense of justice.

Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. The Chair is ready to rule.

Mr. BORAH. I should like to ask the Senator from New Mexico a question.

Mr. BRATTON. I yield.

Mr. BORAH. I have great respect for the legal judgment of the Senator from New Mexico. I inquire would not the setting aside of this judgment be a judicial act?

Mr. BRATTON. I should think it would be.

Mr. BORAH. Can the legislature perform a judicial act or make anybody else do so?

Mr. BRATTON. I do not know that we could do that. The court has merely passed upon a legal proposition in the case; it has never considered the facts; the facts have never been determined. The effect of the amendment is to remit the controversy to the court with directions to hear the facts and render such judgment as the court may determine should be rendered in view of its determination of the facts. That is the effect of the amendment. That is all that the amendment seeks to do.

Mr. BORAH. I know nothing about the equities of the matter, but it is an exceedingly interesting proposition to me that a legislative body may direct a judicial body to perform a judicial act in a certain way.

Mr. ROBINSON of Arkansas. Suppose the judge refused to pay any attention to what the legislature told him to do?

Mr. BORAH. I think that is what he would do.

Mr. ROBINSON of Arkansas. If he had any self-respect at all, of course he would. Then, what would be the remedy?

The PRESIDENT pro tempore. The Chair is clearly of the opinion that the amendment proposes legislation upon a general appropriation bill, and therefore the point of order is sustained.

Mr. BRATTON. Mr. President, how did I lose the floor?



The PRESIDENT pro tempore. The Senator from New Mexico did not lose the floor.

Mr. BRATTON. I should like to keep it, if I have it.

Mr. JONES and Mr. McKELLAR addressed the Chair.

Mr. BRATTON. I desire merely to complete my statement.

The PRESIDENT pro tempore. The Senator from New Mexico has the floor.

Mr. BRATTON. I merely wish to state the facts to the Senate. It is then immaterial to me what becomes of the controversy. If the judgment shall be paid, the claimants will get \$227,000 of public funds to which under the facts they are not entitled. At least the facts before us indicate that strongly. What we intended to do by the proposed amendment was to have the tribunal created by Congress to pass upon such questions in an advisory way, review the facts in this case, and then tell Congress whether the claimant should be paid.

Mr. JONES obtained the floor.

Mr. REED. Mr. President, will the Senator yield to me?

Mr. JONES. Mr. President, I will take only a moment. I have an amendment which I wish to offer in my individual capacity and not as chairman of the Appropriations Committee or on behalf of that committee. I want to explain it for just a moment.

The amendment has to do with the Employment Service. An estimate of \$500,000 has been sent down by the Budget Bureau. The subcommittee thought that that was not necessary. However, not only the Department of Labor but the President feels that, under the peculiar conditions now confronting us, this appropriation ought to be made, in view especially of the prospect of the labor or unemployment bills which have been passed. However, whether the last one of those bills shall become a law or not this money is so necessary to meet the unemployment situation all over the country that I am going to offer the amendment for the consideration of the Senate.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. JONES. I yield to the Senator.

Mr. WAGNER. There is pending before the President for his consideration a bill which has been finally passed by both Houses, the last steps in its passage by Congress having been taken yesterday. That bill abolishes the bureau for which the amendment of the Senator would provide an appropriation. I suggest that if the appropriation shall be made at all, it ought to be increased, in the first place, and, in the event the President should sign the bill which has been passed—and I have every expectation that he will—the item should be phrased in such way as that the appropriation will become available to the bureau newly created under the legislation to which I have referred.

Mr. JONES. As I understand, if this appropriation shall be made it will be available, whether the legislation to which the Senator from New York refers shall be finally enacted or not.

Mr. WAGNER. No. I say "no"; my opinion is that it will not be, because the appropriation is made for the use of a bureau which will have been abolished and which will be out of existence in the event the President should sign the bill now before him.

Mr. JONES. The bill to which the Senator refers does not create a new bureau entirely outside of the Department of Labor, does it?

Mr. WAGNER. It creates a separate bureau, the head of which is to be appointed by the President.

Mr. JONES. Yes; but it will still be a bureau in the Department of Labor.

Mr. WAGNER. But I think it is a very serious question whether the appropriation would be available for this newly created bureau. For that reason I suggest that the amendment be so worded as to be available to the existing Bureau of Employment or to its successor.

Mr. JONES. I will read the amendment now:

For an additional amount for the Employment Service, including the same objects specified under this head in the act making appropriations for the Department of Labor for the fiscal years 1931 and 1932, \$500,000, of which not to exceed \$17,650 may be expended for personal services in the District of Columbia.

Mr. WAGNER. Will the Senator defer offering the amendment, so that I may have a chance to confer with him?

Mr. JONES. Surely.

Mr. WAGNER. I make that request because I have under preparation an amendment which I intended to offer.

Mr. McKELLAR. Mr. President, I offer an amendment, which I ask to have stated.

Mr. REED. Will not the Senator withhold that until we have a chance to act on this Court of Claims matter?

Mr. McKELLAR. This will take but a very few moments.

The VICE PRESIDENT. The amendment offered by the Senator from Tennessee will be stated.

The CHIEF CLERK. The Senator from Tennessee offers the following amendment:

Insert at the proper place in the bill the following:

"Bureau of Public Roads: For an additional amount for paying and other expenses of constructing the highway from Washington, D. C., to Mount Vernon, Va., including all necessary expenses for the acquisition of such additional land adjacent to said highway as the Secretary of Agriculture may deem necessary for the development, protection, and preservation of the memorial character of the highway, \$2,700,000, to remain available until June 30, 1932."

Mr. JONES. Mr. President, I beg to say that that is in accordance with the act that has passed the Senate at this session, and therefore is not subject to a point of order.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Tennessee.

The amendment was agreed to.

Mr. McKELLAR. Mr. President, I ask unanimous consent to return to the amendment that was adopted on page 2, which I will read, as follows:

For expenses of inquiries and investigations ordered by the Senate, including compensation to stenographers of committees, at such rate as may be fixed by the Committee to Audit and Control the Contingent Expenses of the Senate, but not exceeding 25 cents per hundred words, fiscal year 1931, \$50,000.

I ask unanimous consent to return to that for the purpose of offering an amendment making the amount \$100,000.

The PRESIDENT pro tempore. Is there objection to the reconsideration of the vote whereby the amendment was agreed to?

Mr. JONES. Mr. President, I shall have to make the point of order against that amendment.

Mr. McKELLAR. Why is it subject to a point of order?

Mr. JONES. It is increasing an item in the bill, and there is no Budget estimate for it. The \$50,000 carries a Budget estimate. That is all that the disbursing officer asked of the committee.

Mr. McKELLAR. I know; but I want to say this to this Senate: A number of investigations have been asked for, and the Committee to Audit and Control the Contingent Expenses of the Senate state that they have only \$43,000 left, and they can not authorize these investigations because they have not the necessary money. This matter does not have to go to the Bureau of the Budget. Is it possible that the Bureau of the Budget has to be consulted about the contingent expenses of the Senate? I am inclined to think no Senator would claim that it makes any difference whether the Budget has undertaken to deal with this matter or not. If the Senate can not control its own expenses, surely we are in a very unfortunate situation.

There are Senators on the floor who have important resolutions of investigation pending before the committee. There is the senior Senator from Alabama [Mr. HEFLIN], who has before the committee an application for an investigation which will cost some money, and the money is not there. There is the senior Senator from Wisconsin [Mr. LA FOLLETTE], who has made an application of like kind, and the committee claims that the money is not there. I, myself, have a very important resolution of investigation; and the committee claims they have not sufficient money to authorize it.

Under these circumstances, I hope the Senator will permit the amendment to be agreed to.

Mr. JONES. Mr. President, I suggest to the Senator that this \$50,000 only runs up until the 1st of July, 1931, the remainder of this fiscal year.



Mr. McKELLAR. But they will not authorize the appropriation of the money. They say it will put Mr. Pace in an awkward situation if they appropriate the money without having it in hand.

Mr. JONES. Mr. Pace is at liberty to call on the Committee on Appropriations and tell us what he needs. He stated to us that \$50,000 was necessary, and that was all he asked us to appropriate.

Mr. LA FOLLETTE. Mr. President, may I have the attention of the Senator from Washington?

Mr. McKELLAR. I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. The situation, as I understand it, is somewhat as follows:

The Committee to Audit and Control the Contingent Expenses of the Senate take the position that they can not authorize the report of any resolutions calling for more money than is now in the contingent fund of the Senate up to July 1, 1931. Mr. Pace, in appearing before the Appropriations Committee, has merely included in this \$50,000 item those resolutions which have already passed the Senate and are therefore authorized. With the Committee to Audit and Control the Contingent Expenses of the Senate taking the position that they can not authorize any resolutions excepting those which can be taken care of from this fund which will be available up to July 1, 1931, it simply puts the Senate in the position that those who have introduced resolutions early in the session have had them acted on and they will have the money available. Those who may have equally meritorious resolutions calling for the expenditure of money are unable to get consideration of them by the committee because the committee say there will not be sufficient money in the contingent fund of the Senate to take care of them.

It seems to me that the proposition of the Senator from Tennessee is a very reasonable one. There are resolutions pending before the Committee to Audit and Control the Contingent Expenses of the Senate which I have no doubt will receive the overwhelming support of the Senate if they are reported. There is the resolution of the Senator from North Dakota [Mr. NYE] to provide for a special committee to look into the oil question. There is the resolution of the Senator from New York [Mr. WAGNER], providing for an investigation of this most important question of unemployment insurance. There is the resolution of the Senator from Tennessee [Mr. McKELLAR] and many other important resolutions.

Mr. McKELLAR. It has been agreed upon by the Post Office Committee, too.

Mr. LA FOLLETTE. Some of these resolutions have already been approved unanimously by legislative committees of the Senate. In view of the fact that none of the money which we might appropriate in this bill will be expended unless the Senate itself subsequently authorizes the passage of resolutions now pending in the Committee to Audit and Control the Contingent Expenses of the Senate, it does seem to me that it is a matter of proper procedure for the Senate at this time to increase the sum by the amount suggested by the Senator from Tennessee; and then the Committee to Audit and Control the Contingent Expenses of the Senate, and the Senate itself, may pass upon these important resolutions on their merits.

Mr. McKELLAR. Mr. President, I suggest to the chairman of the committee that we take this matter to conference and get from Mr. Pace an exact statement about what is necessary.

Mr. JONES. I desire to suggest to the Senator from Tennessee that it is not Mr. Pace's business to determine what he shall recommend to Congress on the basis of resolutions that may be pending before a committee.

Mr. LA FOLLETTE. I understand that.

Mr. JONES. It seems to me there is nothing in the rules of this body that prohibits the Committee to Audit and Control the Contingent Expenses of the Senate from reporting any resolution that it thinks ought to be reported. If the committee has reached a decision not to do it, it is simply an arbitrary decision of the committee. Mr. Pace can not base his estimates to the Committee on Appropriations on

the resolutions that are pending, because he does not know whether or not they are going to be acted upon.

Let me say, in addition, that Mr. Pace does not hesitate to recommend to the Committee on Appropriations all the money that he feels is necessary for these investigations. If the Committee to Audit and Control the Contingent Expenses of the Senate should report additional resolutions to the Senate, and the Senate should agree to them, and Mr. Pace then should feel that he ought to have more money, he would so recommend.

Mr. McKELLAR. But the Committee to Audit and Control the Contingent Expenses of the Senate are taking the position that they can not report out these resolutions because Mr. Pace will be rendered liable to criminal prosecution if they do.

Mr. JONES. I do not see how the action of the committee could do that.

Mr. McKELLAR. The Senator from Washington and I are in agreement on that point. I do not think he would be committing any offense; but the fact is that the committee have taken that position, and the only way we can correct that position is to give them the money. I think we ought to do it. I hope there will be no objection to doing it.

Mr. JONES. I was not referring to Mr. Pace; I was referring to the Committee to Audit and Control the Contingent Expenses of the Senate. I think they ought to report whatever resolutions they think ought to be passed.

Mr. COPELAND. Mr. President, I was off the floor for a moment. Is it the purpose of the Senator from Tennessee to provide for some new investigations which have not yet been passed upon by the Senate?

Mr. McKELLAR. No; the purpose is to increase the \$50,000 provided for on page 2 of the bill by making it \$100,000.

Mr. COPELAND. For what purpose?

Mr. McKELLAR. For the purpose of permitting the Committee to Audit and Control the Contingent Expenses of the Senate to report out certain resolutions which they say they can not report out now because there is not sufficient money in the contingent fund to permit them to do it.

Mr. COPELAND. What are those resolutions?

Mr. McKELLAR. One of them is the resolution of the senior Senator from Wisconsin [Mr. LA FOLLETTE].

Mr. COPELAND. For what purpose?

Mr. McKELLAR. I will let the Senator from Wisconsin state the purpose. I yield to him to state the purpose, if I may.

Mr. LA FOLLETTE. Mr. President, my interest in this matter is not very vital. I am asking for only a small sum of money to authorize the Committee on Manufactures to study a bill which I have introduced providing for the creation of a national economic council. The Senator's colleague, however, the junior Senator from New York [Mr. WAGNER], has what I regard as one of the most important resolutions that have been pending in this body during this session, namely, the one to authorize a select committee of the Senate to make a study of the question of unemployment insurance.

The Committee to Audit and Control the Contingent Expenses of the Senate take a position which I do not think is justified. Nevertheless, they are the committee having control of these resolutions. They take the position that they can not report out any more resolutions, because the amount carried in this bill is not sufficient to care for all of the expenditures which might possibly be made between now and the 1st of July, 1931.

In order to take care of that situation, the Senator from Tennessee has asked to make this amendment. As I pointed out a moment ago, if the Senator from Tennessee will bear with me, not a dollar of this money will be spent unless it is subsequently authorized by the Senate and its expenditure approved upon vouchers signed by the chairmen of committees that are authorized to conduct these various inquiries.



Mr. McKELLAR. There is a further resolution that I have introduced, which has been reported almost unanimously by the Post Office Committee, providing for an investigation into air mail and ocean mail. That resolution is also before the committee. These are all most important matters; and surely the Congress should furnish the money to be used.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. McKELLAR. I yield.

Mr. COPELAND. It seems to me a very strange thing to put in a blanket amendment which will invite a lot of investigations. I am not sure but that we have had enough investigations. However, the Senator from Wisconsin has a reasonable proposition. Why does he not bring it here in the regular way?

Mr. McKELLAR. It has been brought here in the regular way.

Mr. COPELAND. I have a proposal myself for an appropriation. It has not yet been approved by the Senate. When it is approved I am going to try to find the money somewhere. It would seem to me the proper procedure is to come here first with a definite proposal as to what is to be done with the money, and then there must be found a way to provide it.

Mr. McKELLAR. Mr. President, all of these resolutions have taken the regular, ordinary, everyday course as provided under the rules of the Senate. The only question that remains now is the one that the Committee to Audit and Control the Contingent Expenses of the Senate have raised; namely, that they have not the money with which to authorize the investigations.

Mr. LA FOLLETTE. Mr. President, if the Senator from Tennessee will yield further—

The VICE PRESIDENT. Does the Senator from Tennessee yield to the Senator from Wisconsin?

Mr. McKELLAR. Yes; I yield.

Mr. LA FOLLETTE. I should like to suggest to the Senator from New York that all that is sought to be obtained here is an opportunity for the Senate itself to pass upon these resolutions calling for inquiries or studies of various questions upon their merits. Unless this amendment is adopted the Committee to Audit and Control the Contingent Expenses of the Senate take the position that they can consider no further resolutions, because this is the last appropriation bill to pass the Senate.

Mr. McKELLAR. Mr. President, I judge from the statements made that an objection will be had to the reconsideration of this item of the bill on page 2, and therefore I move that the Senate—

Mr. JONES. Mr. President, I want to say to the Senator that if the point of order is overruled I shall not object.

Mr. McKELLAR. I want to ask unanimous consent to return to that item.

Mr. JONES. I would like to have a ruling of the Chair on the point of order.

The VICE PRESIDENT. Does the Senator want the Chair to rule before the question is submitted?

Mr. McKELLAR. It has to be submitted first. I ask unanimous consent for a reconsideration of the vote by which the amendment on page 2, lines 10 to 15, was agreed to.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. McKELLAR. Mr. President, I offer the following amendment, on page 2, line 15, to strike out "\$50,000" and insert in lieu thereof "\$100,000."

Mr. JONES. Mr. President, to that I make the point of order that it will increase an item of the bill, and that it has not been estimated by the Budget or by any other agency.

The VICE PRESIDENT. The Chair sustains the point of order. The question now is on agreeing to the amendment on page 2, lines 10 to 15.

The amendment was agreed to.

Mr. REED. Mr. President, I send to the desk an amendment, and I want to say a word about it.

The VICE PRESIDENT. The Senator from Pennsylvania proposes the following amendment, which the clerk will report.

The LEGISLATIVE CLERK. On page 171, after line 3, the Senator from Pennsylvania proposes to insert:

For payment of the judgment of the Court of Claims in favor of the Pocono Pines Assembly Hotels Co., as certified to the Congress in the report embodied in Senate Document No. 244, Seventy-first Congress, third session, \$227,239.53.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania.

Mr. REED. Mr. President, this is the matter which was discussed at some length when an amendment was offered by the junior Senator from Illinois [Mr. GLENN] directing the Court of Claims to grant a new trial in the case of the hotels company mentioned in the amendment against the United States. That amendment went out on a point of order.

The judgment in the case referred to was certified to the Congress in strict accordance with law. The amendment is not subject to a point of order. It merely carries out the existing law under which the Court of Claims operates. For that reason I hope the Senate will see fit to preserve the good faith of the United States and honor the judgment rendered against it after trial, in which the Government was represented by counsel, in which the case was argued, followed by judgment which stands unreversed.

I might say that the House of Representatives in the first deficiency bill in this session of Congress passed this claim and directed that it be paid, and it was only stricken out in the Senate in order to give a chance to the committee to make inquiries about it. I am sorry now that I consented to the amendment in the first deficiency bill, but as a matter of good faith, this judgment ought to be paid now.

Mr. HEFLIN. Mr. President, I appeal to the Senator from Washington to withdraw his point of order against the amendment offered by the senior Senator from Tennessee [Mr. McKELLAR].

Mr. Pace was before the Committee to Audit and Control the Contingent Expenses of the Senate this afternoon. He did not know until he attended that meeting of the committee of a good many matters for which money would be needed until he was told about them at this meeting. I have talked with him since he came from the meeting of the committee, and he told me in view of the many demands to be made on these funds that if we could increase this amount whatever was needed would be used and what was left over July 1 would be transferred over into the next year's contingent fund. I informed him of the contest I had in my State, and I do not think the Senator from Washington would want to have a contest pending without sufficient funds appropriated to carry it on.

I want to read to the Senate, and to the Senator from Washington in particular, who has this bill in charge, excerpts from some letters I have received upon the subject of the senatorial election in Alabama held on November 4, 1930. I would like to have the attention of the Senator from Washington while I am going into this matter.

The VICE PRESIDENT. The Senator from Alabama has requested the attention of the Senator from Washington. The Senate will be in order so that the Senator may be heard.

Mr. HEFLIN. I want the attention of the Senator from Washington while I am discussing this phase of the matter, and I trust that Senators interested in other items will not try to talk to the Senator at this time. I take it that the Senator is interested in keeping elections clean and honest in every State in the Union—

Mr. JONES. Mr. President—

Mr. HEFLIN. In a moment—whether it would take \$50,000 or \$500,000 or a million dollars to have honest elections, fair and clean elections of United States Senators. A government that can appropriate \$100,000,000 to people in Europe for any purposes, to relieve them of distress and of hunger, can certainly appropriate the money needed to see that we have a clean election, a fair election, and a fair



count of the votes polled for candidates for the United States Senate.

I have filed a contest in which I claim that I was elected by an overwhelming vote, and that the election—primary and general—reeked with fraud, intimidation, and corruption. I am asking for an opportunity to prove irregularities, fraud, and corruption in the senatorial election in Alabama.

Mr. President, there are, as I understand, only \$32,000 in the contingent fund, and that things pending will require the expenditure of a hundred and odd thousand dollars, and among other things on the list is a contest for a seat in the United States Senate from Alabama. Senators, some few of them, are now seeking to save money by withholding funds which must be had if the Senate is to remain truly a body of representatives honestly selected by the people of the various States.

I contend that one of the greatest frauds ever perpetrated in a general election was perpetrated in my State in the last senatorial election. I contend that the man who holds the certificate of election as Senator from my State is no more entitled to that certificate than some person who was not a candidate.

Let me read to the Senate excerpts from a letter from a good citizen of my State addressed to me.

Do you know one among the accursed tricks to defraud you in our State election was practiced by certain probate judges and tax collectors?

Had you learned that they arranged among themselves to fix bogus registrations and tax receipts for anyone they thought would vote for Bankhead and against you?

I find men who don't know how they got registered after the registration books had been closed, and they don't know who paid their poll tax.

I am sure from what I can learn this crooked work was done in most every county in the State, and there is no telling the extent of this one rascally trick.

Mr. President, I have another memorandum from a citizen in the State to the effect that they paid as much as \$36 on one man's back poll tax in order to vote him against me on November 4.

I have another one which charges that the superintendent of the electric-car lines in Montgomery, the Alabama Power Co.'s agent, threatened the employees, telling them that if they did not vote against me and for Bankhead every one of them would be fired, that they would lose their jobs.

Mr. President, there are many instances of intimidation, one where a captain of industry in Birmingham went up into St. Clair County, called his workers over into a community hall, and told them that if they did not vote for Bankhead they would lose their jobs Wednesday following the election Tuesday.

Senators, money has been spent, thousands, tens of thousands, and hundreds of thousands of dollars. I hope to show that large sums of money have been expended in the campaign against me.

My contest is filed and is pending, and I am seeking to impound the ballot boxes in my State, and we are faced with an adjournment of Congress next Wednesday with only \$32,000 in the contingent fund. What are we to do?

I want the members of the Committee on Privileges and Elections to go at once and seize the ballot boxes in my State, to go and seize them as they seized them in the Southern State of Texas, as they seized them in Pennsylvania, as they seized them in Illinois in their efforts to prevent fraud and corruption in the election of United States Senators. You had all the money you needed to go into those States. Are we going to be denied the money necessary to go into my State to show up fraud and corruption there?

I have another letter here from a citizen of my State saying:

First of all, I wish to express my sincerest and deepest regret to you, whom I firmly believe was illegally defeated November 4 in the election for United States Senator from Alabama. I believe you are by far the choice of the majority of the voters of Alabama uncoerced and unintimidated.

Here is an excerpt from another letter from Alabama:

I see from Friday's Montgomery Journal that Bankhead is quoted as saying in substance that he invited a senatorial investigation of the recent election, and amongst other things that

our side had managers and clerks in every precinct where we had a "known following."

Think of that for a moment, Senators. Mr. Bankhead stated—yes, and he also stated that in an interview down there, and there has been no denial of it—that I had representation in every voting place where I had a "known following." Just think of that! If in his judgment I had no "known following" in a certain county I had no management at the polls; but where I did have a "known following," according to his judgment, I did have representation.

Mr. President, the law requires that a candidate for the United States Senate, whether he has any following at all or not, is entitled to managers and markers and watchers in every precinct and at every voting box in the Commonwealth. Listen to this:

This—

A citizen writes me—

is not true in Russell County, Ala. I filed a list of election officers with the judge of probate for every precinct except Girard, and in only three precincts were we represented.

There is a whole county, and we had representation in only three of the precincts, representation denied in all the rest of them.

These were small beats or beats with small numbers of voters, and it was not practical for the opposition to select all the officers from their forces.

The truth is they did not have enough Bankhead following in those three precincts against me to have the entire management made up exclusively of Bankhead managers.

#### NOMINATION OF EUGENE MEYER

The VICE PRESIDENT. The hour of 4 o'clock having arrived the Senate will resume the consideration of executive business.

The Senate resumed the consideration of executive business.

The VICE PRESIDENT. The pending question is, Will the Senate advise and consent to the nomination of Eugene Meyer to be a member of the Federal Reserve Board?

Mr. McNARY. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Dill	Keyes	Shortridge
Barkley	Fess	King	Smith
Bingham	Fletcher	La Follette	Smoot
Black	Frazier	McGill	Steck
Blaine	George	McKellar	Steiwer
Blease	Gillett	McNary	Stephens
Borah	Glass	Metcalf	Swanson
Bratton	Glenn	Morrison	Thomas, Idaho
Brock	Goff	Morrow	Thomas, Okla.
Brookhart	Goldsborough	Moses	Townsend
Broussard	Gould	Nye	Trammell
Bulkley	Hale	Oddie	Tydings
Capper	Harris	Partridge	Vandenbergh
Caraway	Hastings	Patterson	Wagner
Carey	Hatfield	Phipps	Walcott
Connally	Hayden	Pine	Walsh, Mass.
Copeland	Hebert	Ransdell	Walsh, Mont.
Couzens	Heflin	Reed	Waterman
Cutting	Johnson	Robinson, Ark.	Watson
Dale	Jones	Robinson, Ind.	
Davis	Kean	Sheppard	
Deneen	Kendrick	Shipstead	

Mr. BARKLEY. I wish to announce that my colleague [Mr. WILLIAMSON] is unavoidably detained from the Senate.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present. The question is, Will the Senate advise and consent to the nomination of Eugene Meyer to be a member of the Federal Reserve Board?

Mr. REED. Let us have the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. FRAZIER (when his name was called.) On this question I have a pair with the senior Senator from Mississippi [Mr. HARRISON]. If I were permitted to vote, I should vote "nay." If the senior Senator from Mississippi were present and voting, he would vote "yea."

Mr. GILLET (when his name was called.) I have a general pair with the Senator from North Carolina [Mr. SIM-



mons], but I am assured that on this question he would vote the same as I wish to vote. Therefore I am at liberty to vote. I vote "yea."

The roll call was concluded.

Mr. WALSH of Montana. My colleague the junior Senator from Montana [Mr. WHEELER] is absent on account of illness. He is paired on this question with the Senator from Missouri [Mr. HAWES].

Mr. LA FOLLETTE. On this question I am paired with the junior Senator from Kentucky [Mr. WILLIAMSON]. I understand if he were present he would vote "yea." If I were at liberty to vote, I should vote "nay."

Mr. BARKLEY. I wish to announce that my colleague the junior Senator from Kentucky [Mr. WILLIAMSON] is unavoidably absent.

The result was announced—yeas 72, nays 11, as follows:

## YEAS—72

Ashurst	Deneen	Kean	Shipstead
Barkley	Fess	Kendrick	Shortridge
Bingham	George	Keyes	Smith
Black	Gillett	King	Smoot
Borah	Glass	McNary	Steck
Bratton	Glenn	Metcalf	Stelwer
Brock	Goff	Morrison	Stephens
Broussard	Goldsborough	Morrow	Swanson
Bulkley	Gould	Moses	Thomas, Idaho
Capper	Hale	Oddie	Townsend
Caraway	Harris	Partridge	Tydings
Carey	Hastings	Patterson	Vandenberg
Connally	Hatfield	Phipps	Wagner
Copeland	Hayden	Ransdell	Walcott
Couzens	Hebert	Reed	Walsh, Mass.
Cutting	Heflin	Robinson, Ark.	Walsh, Mont.
Dale	Johnson	Robinson, Ind.	Waterman
Davis	Jones	Sheppard	Watson

## NAYS—11

Blaine	Dill	McKellar	Thomas, Okla.
Blease	Fletcher	Nye	Trammell
Brookhart	McGill	Pine	

## NOT VOTING—13

Frazier	La Follette	Pittman	Wheeler
Harrison	McMaster	Schall	Williamson
Hawes	Norbeck	Simmons	
Howell	Norris		

So the Senate advised and consented to the nomination of Eugene Meyer to be a member of the Federal Reserve Board.

The VICE PRESIDENT. The clerk will state the next order of business on the Executive Calendar.

## THE JUDICIARY

The Chief Clerk read the nomination of James M. Proctor to be associate justice, Supreme Court of the District of Columbia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Harry A. Hollzer to be United States district judge, southern district of California.

Mr. BLAINE. I ask that that nomination go over until after to-morrow.

The VICE PRESIDENT. Without objection, it will be passed over without prejudice.

The Chief Clerk read the nomination of E. Marvin Underwood to be United States district judge, northern district of Georgia.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of E. Coke Hill to be district judge, division No. 3, district of Alaska.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Alexander C. Birch to be United States attorney, southern district of Alabama.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Frederick R. Dyer to be United States attorney, district of Maine.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Frederick H. Tarr to be United States attorney, district of Massachusetts.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of A. V. McLane to be United States attorney, middle district of Tennessee.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Osmund Gunvaldsen to be United States marshal, district of North Dakota.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

The Chief Clerk read the nomination of Harry Bassett, of Indiana, to be a member of the United States Employees' Compensation Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## TREASURY DEPARTMENT

The Chief Clerk read the nomination of Arthur A. Ballantine, of New York, to be Assistant Secretary.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## CUSTOMS SERVICE

The Chief Clerk read the nomination of William Duggan to be collector of internal revenue, second district of New York.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Philip Elting to be collector of customs, district No. 10, New York, N. Y.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

## POSTMASTERS

The Chief Clerk proceeded to read the nominations of sundry postmasters.

Mr. PHIPPS. Mr. President, I ask that No. 2094, the nomination of Ernest H. Smothers, Camden, Tenn., be passed over without prejudice.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BLAINE. I ask that No. 2282, the nomination of Bernard A. McBride, Adams, Wis., go over without prejudice.

The VICE PRESIDENT. Without objection, it will go over without prejudice.

Mr. PHIPPS. I ask that the remaining postmaster nominations be confirmed en bloc.

The VICE PRESIDENT. Without objection, all remaining postmaster nominations on the Executive Calendar are confirmed en bloc.

## ISAAC R. HITT

Mr. KING. Mr. President, the other day I was instructed by the Judiciary Committee to report two nominations, James M. Proctor and Isaac R. Hitt, in the District of Columbia. I supposed I had reported Judge Hitt's nomination to the Senate, but apparently did not as I find it to-day on my desk. The Proctor nomination was reported and has been confirmed. I now report and ask unanimous consent for the present consideration of the nomination of Isaac R. Hitt to be judge of the police court of the District of Columbia.

The VICE PRESIDENT. Is there objection? The Chair hears none and, without objection, the nomination is confirmed.

## EXECUTIVE MESSAGES REFERRED

Messages from the President of the United States, transmitting sundry nominations were referred to the appropriate committees. (For nominations this day received see the end of Senate proceedings.)

## EXECUTIVE REPORTS OF COMMITTEES

Mr. BORAH, from the Committee on Foreign Relations, reported without amendment Executive I (71st Cong., 3d sess.), being the International Load Line Convention and its accompanying final protocol, signed at London on July 5, 1930, which was placed on the Executive Calendar.



He also, from the same committee, reported favorably the nomination of James Grafton Rogers, of Colorado, to be an Assistant Secretary of State, and also the nominations of sundry officers in the Diplomatic and Foreign Service, which were placed on the Executive Calendar.

He also, from the Committee on the Judiciary, reported favorably the nomination of Raymond J. Mulligan, of New York, to be United States marshal, southern district of New York, which was placed on the Executive Calendar.

Mr. PHIPPS, from the Committee on Post Offices and Post Roads, reported favorably sundry post-office nominations, which were placed on the Executive Calendar.

#### LEGISLATIVE SESSION

Mr. JONES. I move that the Senate resume legislative business.

The VICE PRESIDENT. Without objection, the Senate will resume legislative business.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 16982) to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes, requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. LUCE, Mr. PERKINS, Mrs. ROGERS, Mr. RANKIN, and Mr. JEFFERS were appointed managers on the part of the House at the conference.

The message also announced that the House insisted on its amendment to the joint resolution (S. J. Res. 3) proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress, disagreed to by the Senate, agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. GIFFORD, Mr. PERKINS, and Mr. JEFFERS were appointed managers on the part of the House at the conference.

#### HOSPITALIZATION OF WORLD WAR VETERANS

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendment of the Senate to the bill (H. R. 16982) to authorize an appropriation to provide additional hospital, domiciliary, and out-patient dispensary facilities for persons entitled to hospitalization under the World War veterans' act, 1924, as amended, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. SMOOT. I move that the Senate insist on its amendments disagreed to by the House, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SMOOT, Mr. WATSON, Mr. REED, Mr. HARRISON, and Mr. KING conferees on the part of the Senate.

#### SECOND DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 17163) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1931, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1931, and June 30, 1932, and for other purposes.

Mr. LA FOLLETTE. I desire to offer an amendment.

Mr. JONES. There is an amendment pending.

The VICE PRESIDENT. There is an amendment pending. The question is on the amendment of the Senator from Pennsylvania [Mr. REED].

Mr. JONES. Mr. President, I wish to say just a word with reference to the matter discussed by the Senator from Alabama [Mr. HEFLIN]. Of course, I think every Senator here wants to make available all the money that may be necessary for a full and complete investigation of the contest he has instituted. No Senator would seek to hamper

that investigation in any way, shape, or form; but I find this to be the present situation with reference to the contingent fund: There are \$45,000 available already, and, with the \$50,000 additional in this bill, \$90,000 will be available up to the 1st of July. Then \$250,000 will be available for the next fiscal year. So it seems to me plenty of money is made available, all that will be needed, at any rate, up to the 1st of July, and the \$250,000 which will then be available will certainly not be used up before Congress shall meet again in December.

Mr. HEFLIN. Mr. President, may I ask the Senator a question?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Alabama?

Mr. JONES. I yield.

Mr. HEFLIN. Several resolutions are pending to-day before the Committee to Audit and Control the Contingent Expenses of the Senate; I do not know how much money from the contingent fund those resolutions call for or how many of them will be favorably reported; but will the \$95,000 to which the Senator referred, in his judgment, take care of all the expenses that will be incurred between now and the 1st of July?

Mr. JONES. I certainly think it will.

Mr. HEFLIN. If it should not, then what would happen?

Mr. JONES. It would not be very long, anyway, until the 1st of July, when \$250,000 will be available, and I am satisfied that the \$95,000 will not all be used by the 1st of July.

Mr. BLACK. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Alabama?

Mr. JONES. I yield.

Mr. BLACK. I desire to state to the Senator that I join with my colleague in a desire to have a sufficient amount of money appropriated for the purpose of expediting the contest which he has filed as to the Senatorship from Alabama. I desire also at this time to read a short statement from a letter written by Mr. Bankhead with reference to the same proposition.

The VICE PRESIDENT. Does the Senator from Washington yield for that purpose?

Mr. JONES. I yield for that purpose.

Mr. BLACK. Mr. Bankhead says in this letter:

I am perfectly willing for the committee to proceed during vacation, and would much prefer to have the whole matter disposed of before actively entering upon the discharge of my duties next December.

If the committee decides to recount the ballots, I am willing to have it done without any court order impounding them, and I will agree for the committee's agents to make the recount at the various courthouses if that will save any cost and expense and delay.

In the statement of Mr. Bankhead, which I shall not read in full, he takes the position that he desires, just as stated by my colleague, that the contest shall be expedited. I think that if there is any question at this time about the amount of money available being sufficient, there should be appropriated a sufficient sum, and that, if necessary, the point of order should be withdrawn, by reason of the fact that it is of exceeding importance that a contest should not be stopped or delayed on account of any lack of funds.

Mr. JONES. I do not feel, under the circumstances, with \$95,000 available when this bill shall have passed, with \$250,000 available on the 1st of July, that I should withdraw the point of order, and I respectfully decline to do so. I do not take that position to hamper the Senator from Alabama. As I said a while ago, I want him to have the full and complete and fair hearing that he should have.

Mr. CARAWAY. Mr. President, will the Senator yield to me?

Mr. JONES. I yield to the Senator from Arkansas.

Mr. CARAWAY. The Senator from Illinois, who is chairman of the Committee to Audit and Control the Contingent Expenses of the Senate, is present. I may say, however, that the committee did not feel that, with a total of \$95,000 available for all purposes, if the contest is to be carried on and



a recount had, there would be available a sufficient sum. I am not arguing with the Senator about it; we have just gone over that matter; but I do not feel that the fund is sufficient.

Mr. McKELLAR. Mr. President, will the Senator from Washington yield to me in order that I may ask the Senator from Arkansas a question?

Mr. JONES. I yield.

Mr. McKELLAR. As I understood the Senator, he said that there were not available under the control of the committee sufficient funds for the purpose?

Mr. CARAWAY. The committee feels—and I think properly so—that it has no right to deal with an appropriation that is to become available at some time in the future; that it should consider only the money now available, and \$10,000 is all that the committee felt would be available for this purpose at this time.

Mr. McKELLAR. There are other resolutions of investigation, and I am wondering if that was the theory on which the committee acted?

Mr. CARAWAY. That is the theory on which the committee proceeded, and it is one that I approve, and one that I think the committee ought to follow. I do not think the committee ought to undertake now to consider an appropriation that will not become available until the beginning of the next fiscal year. I am not arguing with the Senator, but I think, if a recount is to be undertaken this summer, that a sufficient sum ought to be allowed, and I doubt if \$10,000 will be enough.

Mr. JONES. I do not think in the case of a contest that there ought to be any limitation on the amount of money if it is necessary and needed. If anything has to be delayed, the other resolutions that provide for investigations that do not involve the seat of a Senator can be delayed just a little bit. As I said a while ago, I feel satisfied that the \$95,000 will take care of every expenditure which may be necessary between now and the 1st of July.

Now, Mr. President, I want to say a word with reference to the amendment proposed by the Senator from Pennsylvania [Mr. REED]. I rather think the Senator from Pennsylvania entertains the thought that he has hardly been treated right by the committee. We did cut this item out of the first deficiency bill, and we did, I think, assure him that action would be taken before the next deficiency bill came up. We did take that action; we appointed a committee to look into this case. I insisted on the committee preparing and submitting its report and recommendation before the deficiency bill should come up. I think the subcommittee felt—and I shared that feeling—that the recommendation they made was in the interest of the claimant as well as in the interest of the Government. I felt, at any rate, that if the claimant had to depend upon an appropriation after presenting his claim to Congress, it might take a good while to get through the necessary legislation providing for the payment of the claim. So I think the subcommittee as well as myself were acting in perfect good faith toward the Senator from Pennsylvania; at any rate, we thought so. We would not have thought of taking any advantage of him in any way, shape, or form, and we thought by putting in the bill the amendment proposed that it would expedite the adjudication and final settlement of the claim.

Mr. President, the question that confronts the Senate is this: Shall we pay the judgment of the Court of Claims without any investigation? There are some serious facts presented with reference to this claim which would seem to indicate that if it shall be paid, the Government of the United States will be paying what it ought not to pay. I do not think we ought now to act on this claim without some further investigation, at any rate, by a committee of Congress and that will examine the merits of the case, as it has a perfect right to do. I do not think we ought to say that the Congress is bound by the judgment of the Court of Claims, which is really an advisory body of the Congress.

We often refer claims to the Court of Claims, sometimes asking it to report upon the facts and submit its recommen-

dations and sometimes authorizing it to render judgment. Yet in such cases where judgment is rendered, the claim has to come back to Congress for investigation before it is paid. Why are such judgments sent back to Congress? Not only that appropriations may be made but in order that we may have an opportunity to investigate the claims.

I think, Mr. President, that sufficient facts were pre-

I think, Mr. President, that sufficient facts were presented to the subcommittee and submitted by that committee to justify the Senate at least in giving an opportunity to the committee to investigate this claim very carefully before we provide for its payment. If we are not willing to have the Court of Claims pass on this case again, then we ought to refer it to a committee of the Senate for investigation.

I appointed on the subcommittee three of the leading lawyers who are members of the full committee. They investigated it very carefully and came to the conclusion as indicated by the amendment that has been proposed. A point of order has been sustained. As I have said, one of the purposes of offering that amendment to this bill was to hurry the matter along, hoping that we would avoid any unnecessary delay, that we would get the claim back to the Court of Claims, and the court would pass on it again. Then, when it shall come back to Congress, of course, whatever their judgment may be will be favorably acted upon. I think the Senate should reject the amendment of the Senator from Pennsylvania.

Mr. REED. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). The Senator from Pennsylvania.

Mr. REED. The Senator from Washington speaks of the difficulty of obtaining an appropriation, and he implies that it is because of kindness to the claimant that it is proposed to order a new trial of this case.

There will not be the slightest difficulty in getting an appropriation if the conferees of the Senate will stand for this amendment, even in the most perfunctory way, because the House of Representatives has already adopted it. They sent it over to us on the first deficiency bill, and, unless the Senate surrenders without the request of the House that they do so, there is the legislation, and the judgment will be paid.

Mr. JONES. May I interrupt the Senator from Pennsylvania?

Mr. REED. Certainly.

Mr. JONES. Of course, if the Senate provides the appropriation, there may not be so very much difficulty in getting it, because, I want to say to the Senator that in conference, no matter what my personal views may be, I have always made it a rule to follow the position and recommendation of the Senate.

Mr. REED. I am perfectly sure the Senator will be loyal to the Senate in the conference; and I want to assure him now, in advance, that he will meet with victory on this point, because the House has already passed the item.

Mr. ASHURST. Mr. President, may I ask a question?

Mr. REED. Certainly.

Mr. ASHURST. Am I to understand that the Court of Claims has rendered a judgment in this matter?

Mr. REED. Absolutely.

Mr. ASHURST. And the Senator now seeks an amendment directing the payment of the judgment. What objection can there be to paying a judgment duly rendered? Has the time for appeal gone by?

Mr. REED. I am very glad the Senator has asked that question. He was not here when the Senator from Arkansas [Mr. ROBINSON] was debating the former amendment that dealt with this matter.

Mr. ASHURST. No; I was not.

Mr. REED. This was a case where the United States Government took a hotel building for use as a veterans' hospital. The hotel burned down after the hospital had been there a while; and therefore the United States, which had covenanted to return the hotel in good order, could not do so.

The claimants brought suit in the Court of Claims. The case was defended. The Comptroller General says that the



lawyer who represented the United States did not defend it well. Be that as it may; I do not know. I know nothing about the merits of the case. I only know that it was not a judgment by default but was a contentious case, litigated through to a judgment.

I understand that a new trial was applied for and refused. I understand that the Government allowed the time for appeal to elapse without taking any appeal. The judgment was certified to us for payment in the usual way. The House of Representatives passed an item in the first deficiency bill to provide for the payment of this judgment. The matter came over to us in the first deficiency bill. Our Committee on Appropriations was approached by Comptroller General McCarl, who said that from what he could gather the United States had not been well represented by its delegated counsel; that the question of the burden of proof of negligence in the cause of this fire was one which should have been otherwise disposed of than it had been; and that we ought to refuse to pay this final judgment, and in some way order a new trial.

Thereupon the Committee on Appropriations called me before it and asked if there was any objection to disagreeing to that item in the House bill, the first deficiency bill. I said, "If you want to look into it, and want delay, all right; strike it out of this bill, and put it in the second deficiency bill." They did that. Now, without further consultation with me, or as far as I know with anybody representing Pennsylvania or the claimant, they actually report out an amendment commanding the Court of Claims to vacate that judgment and order a new trial—a grand piece of legislative exercise of power if I ever saw one.

Of course, the court ought to tell the Congress to mind its own affairs if we did pass such a thing. That amendment, however, after being attacked by the Senator from Arkansas [Mr. ROBINSON] and the Senator from Idaho [Mr. BORAH] went out on a point of order. Now I have offered an item to pay this certified judgment; and that is what the Senator from Washington [Mr. JONES] asks the Senate to reject.

Knowing nothing whatever of the merits of the case except that it was tried and went to final judgment unappealed from, I very earnestly say that the good faith of the United States is involved. When the tribunal which it has set up for the consideration of such cases renders final judgments and they are certified to the Congress, I say the good faith of the United States Government is involved in the payment of those judgments.

Mr. ROBINSON of Indiana. Mr. President, I desire to say a word about the amendment. I certainly think it should be rejected. It amounts to just this, as I understand, having listened very carefully to the debate thus far:

It is true that the item came over from the House, with the recommendation that it be paid, in the first deficiency bill; but evidently there was something about it that looked queer from the beginning to the Committee on Appropriations of the United States Senate. The distinguished chairman of that committee, the Senator from Washington [Mr. JONES] appointed a subcommittee composed of eminent lawyers of this body. Among others on that committee were the distinguished Senator from New Mexico [Mr. BRATTON], himself a judge of great ability before he came into this body, and the Senator from Illinois [Mr. GLENN], an eminent lawyer of his State; and they felt so certain that this bill should not be paid and this judgment not honored that they sought to find a way to prevent the United States Government from being mulcted of nearly a quarter of a million dollars.

The amendment proposed went out on a point of order. Immediately upon its going out the Senator from Pennsylvania [Mr. REED]—whose motives I do not question in the slightest degree—it happens that the hotel keeper is a constituent of his—offered this amendment providing for the immediate payment of this judgment in the sum of almost a quarter of a million dollars.

Mr. President, those of us who were on the floor a while ago heard the Senator from New Mexico [Mr. BRATTON] make the statement that if the judgment were paid it meant that

the United States would be mulcted out of approximately \$225,000, and that certain interests in Pennsylvania would receive from the United States Government nearly a quarter of a million dollars to which they are in no wise entitled.

Remember, the merits of this question were never gone into by the court. The matter was decided largely on a technicality. The Senator from Pennsylvania admits on the floor that he knows nothing about the merits of the case, or whether or not the money is due or should be paid on the merits of the case.

Mr. SHORTRIDGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from California?

Mr. ROBINSON of Indiana. In a second. That being true, Mr. President, why should the Senate here, in all haste, now, vote away \$225,000 of the people's money, when responsible Members of this body say it is simply thrown away; that the Government does not owe it, and should not be made to pay it? Perhaps another way can be found between now and next December by which the Government may be saved this money.

I now yield to the Senator from California.

Mr. SHORTRIDGE. Mr. President, was action regularly commenced against the Government?

Mr. ROBINSON of Indiana. That I do not know. I am proceeding largely on the statement of two responsible Members of this body, who as members of a subcommittee have studied this question thoroughly, one on this side of the Chamber and one on the other side, and have finally concluded that the United States does not owe this money, and that the interests involved in Pennsylvania ought not to be presented this money with the compliments of the United States when they are not entitled to it.

Mr. SHORTRIDGE. Assuming what has been stated, I understand that an action was commenced regularly and properly; that answer was duly filed; that issue was joined; and that the case was tried upon its merits.

Mr. ROBINSON of Indiana. No, Mr. President; that is where the Senator, I think, is mistaken. I understand from the Senator from New Mexico—he can correct me if I am wrong—who studied this case very carefully, that the case never was tried on its merits. That is just the point, Mr. President.

Mr. SHORTRIDGE. Now, note what I said: I understood that answer was entered, and issue joined; that the case was thereupon tried upon the facts and the law; and that the court, made up of five presumably competent judges, rendered judgment; and that thereafter that judgment became final, and is final.

Mr. REED. Absolutely.

Mr. SHORTRIDGE. So the Senator is attacking the proceedings of the court, imputing either dishonesty or incompetency or other demerit to the court.

Mr. ROBINSON of Indiana. Oh, no, Mr. President; I am not impugning the courts in the slightest degree, nor their honesty to any extent whatever. I am suggesting that there is no occasion to rush into this matter. This subcommittee of the Committee on Appropriations, composed of members of the bar, have carefully studied it, and have considered that the United States ought not to pay this judgment. Therefore, I say, why the rush in paying it? Why should we present \$225,000 to these Pennsylvania interests in such great haste? Why not let it go until next December, and find a way to save this money for the United States, if there is a way? Then, in the event no way can be found in the law, if the United States must pay it, I suppose there is no alternative; but certainly there is no haste about it, Mr. President, no reason to rush into it so rapidly as to amend this appropriation bill with an amendment to which the distinguished chairman of the committee himself is thoroughly opposed.

Mr. GLASS. Mr. President, I desire to inquire from some one of the lawyers who have given consideration to this matter what would or might be the effect of deferring this appropriation for a while—whether there would be any way to get the case before the court again.

Mr. BRATTON and Mr. DILL addressed the Chair.



The PRESIDING OFFICER. To whom does the Senator yield?

Mr. GLASS. I yield to the Senator from New Mexico.

Mr. BRATTON. Mr. President, I have not given much thought to that phase of the matter, because I had assumed that one of two things would happen: Either that the Senate would accept the recommendation of the committee to insert in the bill an appropriate provision remitting the whole matter to the Court of Claims to inquire into the merits of the case and render judgment—a thing that has not been done by the Court of Claims or any other tribunal—or that the whole matter would be kept out of the bill.

If the amendment proposed by the Senator from Pennsylvania is not inserted in the bill, the Committee on Appropriations or some other agency will have adequate time before the next session of Congress, or during the consideration of an appropriation bill in the next session to inquire into the merits of this matter, and then report to Congress whether the claim should be paid.

Let me say to the Senator from Virginia that the item in question amounts to \$227,000 plus; that the liability of the Government on the merits of the case has never been passed upon by the Court of Claims, the Committee on Appropriations, or any one else acting for the Government.

Mr. REED. Mr. President, will the Senator yield there?

Mr. BRATTON. It is now proposed to appropriate the money and pay the claim without the Court of Claims or the Committee on Appropriations inquiring into the merits of the case to determine whether the Government is liable.

Mr. REED. Mr. President, will the Senator yield?

Mr. BRATTON. I am speaking at the sufferance of the Senator from Virginia.

Mr. GLASS. I yield to the Senator from Pennsylvania.

Mr. REED. Here is the point:

The Comptroller General says that the lawyer who represented the United States ought to have tried his case differently from the way he did. Perhaps he should. I do not know. Nobody representing this claimant has ever spoken to me about it. I do not know who the people are; but I do know that the matter went to final judgment on the merits, after issue joined on the merits, and judgment was rendered, not by default but after argument on both sides; that if a new trial was asked for the court refused it, and that no appeal was taken, and the judgment remains unreversed and unappealed from.

Mr. GLENN rose.

Mr. GLASS. I understand those facts because I listened very intently to the Senator from Pennsylvania.

As all Senators know, the Appropriations Committee is never advised as to the merits of a claim sent down by the Court of Claims.

Mr. REED. That is right.

Mr. GLASS. These claims go into the bill automatically. The assumption is that the court has decided the case upon the merits, and that the award is just. I would not be willing to vote against the Senator's proposed amendment with a view to having the Committee on Appropriations of the Senate, or the Committee on Appropriations of the House, or both, determine the merits of the case. But if there is any way to get the matter again before the court in a proper and just way, I would be inclined to vote against the Senator's amendment in order that that might be done.

Mr. REED. Mr. President, there is no proper way. This judgment was certified to us last May. The term at which it was rendered has long since expired. It is too late to appeal; it is too late to move again for a new trial. The judgment remains final. Nothing will happen if the amendment is rejected except that on the records of its own tribunal will stand a repudiated judgment against the Government, repudiated not because of any hearing on the merits, but because of ex parte representations by the Comptroller General of the United States.

Mr. BRATTON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from New Mexico?

Mr. GLASS. I yield.

Mr. BRATTON. Let me remind the Senator, in connection with what he has just said to the effect that there is no way of getting this matter before the court, that an amendment was proposed less than an hour ago to remit this case to the court, with the direction to inquire into the facts; and that amendment went out on a point of order made by the Senator from Arkansas [Mr. ROBINSON], with the hearty support of the Senator from Pennsylvania.

Mr. REED. Exactly.

Mr. BRATTON. We were then attempting to do exactly what the Senator from Virginia thinks should be done, and we were prevented from doing it through the united efforts of the Senator from Pennsylvania and the Senator from Arkansas.

Mr. GLASS. Mr. President, I did not favor the proposition. I may say that I was not at the committee meeting which acted on this matter, and therefore I am derelict in that respect. As an original proposition, I would not favor legislation on an appropriation bill undertaking to direct a legal process. But if there be any way properly to get the matter again before the court so that it may be tried upon its merits, I should vote against the amendment proposed by the Senator from Pennsylvania.

Mr. REED. Mr. President, I know of no such way.

Mr. GLASS. If there be no way, I am not willing that the Senate Committee on Appropriations shall set itself up as a tribunal to try the case on its merit as against a regularly constituted tribunal.

Mr. REED. Mr. President, the Senator has put his finger right on the point at issue. The Senate Committee on Appropriations, on an ex parte representation by the Comptroller General, is undertaking to reverse a judgment rendered after argument and hearing of both parties before a court. That is just the situation.

Mr. STEIWER. Mr. President, will the Senator from Virginia permit me to make one observation in answer to what has been said?

Mr. GLASS. I yield.

Mr. STEIWER. The Senator from Pennsylvania upon three or four occasions in this debate has made the statement that the Committee on Appropriations acted upon the ex parte representations of the Comptroller General. I want to say to the Senator with respect to that that the matter is all spread at large upon the record of the case. The subcommittee had that record, including the pleadings. The various motions, the affidavits in support of the motions, the briefs, and every aspect of that case were exhibited to us. I do not think it is true that any member of the subcommittee was actuated by anything said to us by the Comptroller General of the United States, but we were impressed by the record, which is made by both participants to the litigation, and we unanimously felt that it would be almost a fraud upon our Government to permit this bill to be paid.

Mr. REED. Mr. President—

Mr. GLASS. I yield.

Mr. REED. Does the Senator mean that the five judges of the Court of Claims, sitting there and looking at exactly that same record, have rendered a judgment which is a fraud upon the United States? Surely that is a savage way to talk about our courts.

Mr. BRATTON. Mr. President, may I interject a remark there?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from New Mexico?

Mr. GLASS. I yield.

Mr. BRATTON. The Court of Claims has never passed upon the merits of the controversy.

Mr. REED. How can the Senator say that?

Mr. BRATTON. Because the Court of Claims held that the burden of proof rested upon the Government.

Mr. REED. Precisely; and the Government did not sustain the burden. Are we to keep remitting the case, so that the Government can go fishing around for further evidence? Does not a judgment estop anybody?



Mr. GLASS. Mr. President, let me ask a question right there. Not being a lawyer, I want to be initiated into the mysteries of the law. Suppose the claimant, through some fault of his attorney, had lost this case. Would we be called upon here to give the claimant another chance before the court?

Mr. REED. Indeed we would not. We would laugh him out of court if he came in here and asked us to reverse the judgment.

Mr. GLENN. Mr. President, I will say that the Committee on Claims does that very thing right along. Anyone who has been on the Committee on Claims knows that statement is correct. We waive the statute of limitations where the lawyer for the claimant, in a claim against the Government, has allowed the time to go by, and the statute, if it were strictly construed or reasonably construed, would bar the claim. Scarcely a day goes by but a bill is introduced to waive the statute because the lawyer for some claimant has done what the lawyer in this case did for the Government, has not capably represented his client.

Mr. GLASS. If the court is authorized to do that for an individual, why is it not authorized to do it in this case for the Government?

Mr. GLENN. I do not know. Perhaps it was authorized to do it if it had seen fit to do it.

Mr. GLASS. Why does it not do it?

Mr. GLENN. I do not know why it does not do it.

Mr. REED. Mr. President, the Senator surely does not mean to give the impression that there is any question of the statute of limitations here?

Mr. GLENN. No; not in this case.

Mr. REED. And the Senator surely does not mean to give the impression that if the Court of Claims had decided, not on the ground of the statute of limitations but on the merits, that the claimant had not produced the proof to sustain his allegation, that the Committee on Claims would give him relief?

Mr. GLENN. I do not know about that. I think a number of Senators have come in who did not hear the previous discussion, and in order that everyone may know about the case I think it should be discussed briefly. I have no feeling about the matter at all. I was merely appointed chairman of the subcommittee.

Mr. GLASS. Mr. President, I do not yield to the Senator for a speech. I will yield the floor in just a moment, with a single observation.

Mr. GLENN. I beg the Senator's pardon; I thought he had finished.

Mr. GLASS. If we deny this appropriation, we have a record which impugns the honor of the Court of Claims; and if we grant the appropriation, apparently we have a record here of paying a company \$227,000 which is not entitled to a cent of it. It is a very embarrassing situation.

Mr. McKELLAR. Mr. President, I want to say to the Senator from Virginia that this is a case where a judgment has been rendered by a court, and the time for appeal or for a writ of certiorari or any other process to take it up to a higher court has expired. Under the law, after that has happened, the court has no jurisdiction of the matter at all, and the only thing to be done is for its officers to carry out the decree or judgment of the court, which has been done. For the legislature to put into the law a provision directing that the judge of a certain court, or the judges of a certain court—

Mr. GLASS. That is no longer proposed. That was thrown out on a point of order.

Mr. McKELLAR. I just wanted to say to the Senator that to my mind the proposal for this body to undertake, or for the Congress to undertake, to direct a court what judgment to enter, I do not believe would be valid legislation.

Mr. GLASS. I do not disagree with the Senator in that, and at the same time I find myself very reluctant to vote \$227,000 out of the Treasury for some claimant not entitled to it.

Mr. BRATTON. Mr. President, if the Senator will yield, the only question pending is whether we shall pay this amount now or postpone its consideration to the next session

of Congress, giving the Congress in the meantime, through a committee or some other agency, an opportunity to inquire into the merits of this claim. Those are the two alternatives presented to us.

Mr. GLASS. Suppose we inquire into the merits of the claim and find that in our judgment it is without merit. Shall the Committee on Appropriations set its judgment up against the orderly judgment of the Court of Claims? That is the question involved here.

Mr. BRATTON. It could submit the facts to the Congress and let Congress determine what should be done. It would give the Government an opportunity to know the facts as to whether it is liable for the payment of \$227,000.

Mr. BARKLEY. Mr. President, will the Senator from Illinois yield?

Mr. GLENN. I yield.

Mr. BARKLEY. Does it lie in the mouth of the Government of the United States, through Congress or any other branch of the Government to impugn the integrity and the ability and the fidelity of the Court of Claims, which is another branch of the Government of the United States, in passing on a claim of this sort? And how much more proper will it be for us to do it when we meet than it is to do it now?

Mr. BRATTON. The merits of the controversy, the thing we now seek to have investigated, were never passed upon by the Court of Claims.

Mr. BARKLEY. That may be the fault of the court, but we have established that court there for that purpose.

Mr. BRATTON. Let me call the Senator's attention to the fact that the act creating the Court of Claims was designed to create an agency to inquire into claims and report to Congress.

The report of the Court of Claims is advisory to the Congress. It is not binding upon Congress. It has no obligatory effect. When a report comes here in the form of a judgment which we know was confined purely to a technical question of law and did not involve a review or consideration of the facts, I assert that the Congress can appropriately look into the merits of the controversy without impugning the motives of the court, because the court passed upon one question and we would review another.

Mr. BARKLEY. Why did not the court pass on the question of fact?

Mr. BRATTON. Three defenses to this claim, which I undertook to outline to the Senate an hour ago, any one of which, in my judgment, would afford a bar to recovery by the claimant, were interposed.

Mr. GLASS. Right there, before the Senator goes into that question, let me ask him a single question. Had the judgment gone against the claimant in the case, does the Senator dream that for a moment the Congress would have given the claimant another chance to appear before the court?

Mr. BRATTON. I do not think so.

Mr. GLASS. Then why should we give the Government another chance to appear before the court?

Mr. BRATTON. Because in this case, according to my view, the claimant is trying to get \$227,000 of public funds out of the Treasury to which it is not entitled. I think Congress is the trustee for the public respecting those funds. We should not take that much money out of the Treasury merely because we have the power to do it, and merely because the Court of Claims has determined a case on a technical question, without considering the facts.

Mr. GLASS. On the contrary, the claimant might contend that the Government was trying to deprive it of \$227,000 to which it was justly entitled. Had the case gone differently, would we have given the claimant an opportunity to reassert its claim?

Mr. GLENN. In answer to the inquiry of the Senator from Virginia, may I suggest that the plaintiffs, under those conditions, could very well have presented their claim to the Committee on Claims, introduced a bill and had it considered. If they had been deprived of their rights, if they had had a just claim against the Government for \$227,000 and had been deprived of their rights through some tech-



nical ruling, I think the Committee on Claims might have had a sympathetic ear for them. I have seen it happen so often that I feel that way about it.

Mr. WALSH of Massachusetts. Has it been done in the past?

Mr. GLENN. We have had the statute of limitations waived frequently.

Mr. REED. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. GLENN. I yield.

Mr. REED. I would like to say to the Senator from Massachusetts that issue was joined upon the question of negligence. The court held that the party on whom rested the burden of proof had not furnished sufficient evidence to make out their case. Judgment was thereupon rendered upon the merits, judgment against the Government for the value of the hotel building, which they had leased and did not return to the owner. That is what is called a "judgment on a technicality." If it is a technicality to furnish an insufficient amount of proof to prove the point on which issue has been joined, then that is a technicality. But had the judgment gone against the claimants because of their inability to furnish sufficient evidence to sustain the burden that was on them, a very slender chance they would have had to get through the Committee on Claims a bill for relief in the face of that judgment.

Mr. ROBINSON of Arkansas. May I inquire if a copy of the judgment is available for study of the Senate?

Mr. REED. Yes; it was certified to us and appears in the Senate document which is mentioned in the amendment. It has been certified to the Senate in the regular way.

Mr. BARKLEY. Did the Government make a motion for a new trial?

Mr. GLENN. Motion for a new trial was made and overruled.

Mr. BARKLEY. I suppose all the reasons for a new trial were available to counsel and were heard by the court, including the fact that the judgment was rendered on a technicality?

Mr. GLENN. I think so.

Mr. BARKLEY. So that after hearing on those arguments the court overruled a motion for a new trial?

Mr. GLENN. That is true.

Mr. BARKLEY. Now an appeal is made to us to grant a new trial which the court itself would not grant after rendering judgment.

Mr. GLENN. The facts have been stated two or three times. The question of whether the case was tried on its merits or not has been asserted on one side and denied by the other. Lawyers may look at a trial upon the merits differently from the way a layman does. Let me state the facts, about which I think there is no dispute.

A suit was filed in the Court of Claims here in Washington on the lease which the Government had taken from the owners of the property in Pennsylvania. The lease provided, as I have stated before during the absence of some Members of the Senate who are now present, that the Government should return the property at the expiration of the term, loss by fire, and some other extraordinary happenings excluded. The buildings burned during the term of the lease. There were two fires there at least; a garage was destroyed and the hotel building itself was destroyed.

I am merely stating the facts. I have no interest in the matter except that I want the Senate to know the real situation and then decide the question because it is a question of considerable importance, it seems to me, upon the correct statement of the facts and, of course, no one has endeavored to state them incorrectly.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question or two?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from California?

Mr. GLENN. I yield.

Mr. SHORTRIDGE. A complaint was filed. Is that true?

Mr. GLENN. Yes.

Mr. SHORTRIDGE. Certain specific allegations were made?

Mr. GLENN. Yes.

Mr. SHORTRIDGE. The Government came into court in due time, I assume, and made answer. Is that right?

Mr. GLENN. That is right.

Mr. SHORTRIDGE. Were the issues joined, as we understand the term?

Mr. GLENN. Yes; they were joined.

Mr. SHORTRIDGE. The case came on for trial?

Mr. GLENN. That is right.

Mr. SHORTRIDGE. The case came on for trial ultimately before the court made up of presumably learned men?

Mr. GLENN. I do not know anything about that presumption.

Mr. SHORTRIDGE. I say presumably, and some of them I know to be learned lawyers, perhaps not as great as some here who are listening, but presumably they are learned lawyers. The case went to trial did it?

Mr. GLENN. Yes.

Mr. SHORTRIDGE. Evidence was introduced and arguments made?

Mr. GLENN. I do not know. I was not present.

Mr. SHORTRIDGE. Presumably arguments were made. Presumably the court listened to the arguments. Ultimately the court made certain findings and there was entered a certain judgment.

Mr. GLENN. I stated that a while ago.

Mr. SHORTRIDGE. The Government, losing the case, made a motion for a new trial, as I understand it?

Mr. GLENN. Yes.

Mr. SHORTRIDGE. And presumably the court listened to that motion and denied the motion. Is that right?

Mr. GLENN. I have asserted that.

Mr. SHORTRIDGE. The Government failed to appeal from the order denying the motion. Is that right?

Mr. GLENN. Yes.

Mr. SHORTRIDGE. They could have appealed to the Supreme Court of the United States from that judgment, could they not?

Mr. GLENN. I am not sure about that.

Mr. SHORTRIDGE. Whatever the procedure is, there was a higher tribunal.

Mr. GLENN. I have never practiced in the Court of Claims.

Mr. SHORTRIDGE. There is a higher tribunal than the Court of Claims, is there not?

Mr. GLENN. I am not sure about that. I really do not believe there is.

Mr. SHORTRIDGE. I think there is. At any rate, the judgment became final. Is that correct?

Mr. GLENN. Yes; that is correct.

Mr. SHORTRIDGE. If we go behind that judgment, or seek to set aside that judgment or modify it or coerce the judges to modify their views, may we not do so in every judgment that may be rendered?

Mr. GLENN. Of course. The very point in this whole situation, as I view it, is that the judgment of the Court of Claims is merely advisory to the supreme court, which in this instance, it seems to me, is the Congress of the United States. They have made their findings.

Mr. SHORTRIDGE. Does the Senator think we have appellate jurisdiction?

Mr. GLENN. We have final jurisdiction in the matter. When we vote upon this amendment of the Senator from Pennsylvania we pass upon it.

Mr. WALSH of Montana. Mr. President—

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Montana?

Mr. GLENN. I yield.

Mr. WALSH of Montana. I am hopeful that the Senator may be permitted to go on and tell us what the facts are in the matter.

Mr. GLENN. I believe I had better begin again. I had only proceeded a little way when I was interrupted.



The facts are that the Government about 1920 leased the hotel property, including a number of cottages and a garage, from a hotel company in Pennsylvania called the Pocono Pines Hotels Co., to be used for hospital purposes for veterans. The lease provided, among other things, that at the expiration of the term the property should be returned to the owners, loss by fire excepted and certain other extraordinary possibilities and contingencies excepted. Two fires occurred. The garage was destroyed, which was a small loss, and finally the entire hotel property was destroyed by fire before the expiration of the term of the lease.

When the lease term expired, of course, the Government could not return the building, and thereupon suit was filed in the Court of Claims against the Government. In that suit there was a difference of opinion as to a legal question. Counsel for the Government took the position that under the law when the fact was established that the failure to deliver up the property was occasioned by a loss by fire, thereupon the burden shifted to the owners and that the duty was then upon them to show that the loss was occasioned by the fault or negligence of the Government.

The court held otherwise and the Government attorneys stood by their position and introduced no proof. I think that is absolutely true. At any rate they introduced no proof as to the cause of the fire. They introduced no proof as to the value of the property. The only proof offered as to the value of the property was on the part of the claimants. That evidence was in the record which was before the subcommittee, showing that it only went to the cost of reconstructing the building; in other words, without any element or any percentage deducted for depreciation. The amount of the judgment is the amount that it would cost to erect a new set of buildings without anything deducted for depreciation.

Mr. WALSH of Massachusetts. Did the Government pay the entire sum due under the lease?

Mr. GLENN. The Government paid up to the time of the fire and refused to pay after the fire, taking the position that the fire was not its fault. I believe the balance of the rent from the time of the fire to the expiration of the term is included in the amount of the judgment. That is my recollection.

Mr. WALSH of Massachusetts. Is it not true that the owners had insurance and collected the insurance, and they therefore may be collecting twice the value of the property?

Mr. GLENN. The facts are as shown in the statement that the owners collected about \$85,000 or \$90,000 of insurance, and under the subrogation clause those claims had been assigned to the insurance company. The comptroller called attention to a statute which he says makes the assignment illegal. I am not familiar with that statute and did not think it was very pertinent, and so did not examine it.

Mr. BLEASE. Mr. President, may I propound a question to the Senator from Illinois?

Mr. GLENN. Certainly.

Mr. BLEASE. Was the cause of the fire traceable to the fact that the United States troops were occupying the building?

Mr. GLENN. I am coming to that point now. There was no contention in the lawsuit as to what occasioned the fire. The claimants contended that it came possibly from a cigarette stub thrown upon a roof by a veteran. There seemed to be practically no proof upon that point. The Government introduced no evidence as to what occasioned the fire, but supplementing the motion for a new trial or a rehearing submitted numerous affidavits. The claim of the Government as to the origin of the fire—and I think they have two or three witnesses or affidavits to establish it—is that when the fire was first seen it was breaking out between the boards of the roof of the porch, not on top of the porch as it would have been if it had been caused by a cigarette or cigar stub, but between the boards, evidently caused by defective wiring.

There was also proof that on the day of the fire and preceding the fire there had been a rain and that the roof was wet, so it was unlikely that it would have been caused by a stub of a cigar or cigarette thrown on the roof by a veteran. Further, there was proof that at the time of and immediately prior to the fire there was no one above the first floor of the building, so, according to that theory, no one could have thrown a cigar or cigarette stub out on the roof of the porch.

I simply want to tell the facts to Senators, so they may do as they see fit about the amendment which is now pending. The lease provided that the owners of the property should keep a person in charge there and should maintain water pressure and fire protection.

At the time of the fire, when the fire broke out and they began their efforts to extinguish the fire, it was found that the lessors or the owners had utterly failed to comply with that provision of the lease. There was no water pressure. The superintendent had to travel half a mile to start up the pumps. By the time he did that the fire was under such way that the building could not be saved.

There is one other element which the Senator from New Mexico [Mr. BRATTON] has in mind, a defense to which I have not alluded.

Mr. BRATTON. I was out of the Chamber for a moment. Has the Senator referred to the defective wiring?

Mr. GLENN. Yes, I did; and to the lack of water pressure.

Mr. BRATTON. And that the agent of the Government called the attention of the owner of the property to the fact that the shingle roof was dangerous?

Mr. GLENN. Further, there was proof, in the affidavits at least, that the Government had called the attention of owners of the building to the fact that the roof was very inflammable and that they had had two or three little fires started because of that fact. They had asked the owners to put on a metal or slate roof or something of that kind, which they had failed to do.

Mr. SWANSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Illinois yield to the Senator from Virginia?

Mr. GLENN. I yield.

Mr. SWANSON. The Senator has served on the Committee on Claims, has he not?

Mr. GLENN. I have, and I am still a member of that committee.

Mr. SWANSON. As I understand it, there is a different impression as to what the Court of Claims does in these matters. I have had some experience in a great many cases which I have been compelled to send there. Usually we give jurisdiction to the Court of Claims to find facts and the amount of damage and certify the result to the Congress, and a conclusion is reached as to the responsibility. Was this claim submitted under the general law creating the Court of Claims, or was it submitted under a special act authorizing the court to find the facts, or was it submitted to the Court of Claims on account of damages in connection with the war?

Mr. GLENN. My understanding is that it was submitted under the general provisions of the law.

Mr. ROBINSON of Arkansas. What I can not understand is why we are not able to secure a copy of the judgment and see what it is the court decided. That might throw a very great light on the controversy.

Mr. GLENN. I am going to conclude in just a moment, but I quite agree with the Senator as to that.

Mr. ROBINSON of Arkansas. I am not complaining about the Senator occupying the floor at all. What I am attempting to do is to ascertain the nature of the judgment and what the decision of the court actually is.

Mr. McKELLAR. Mr. President, will the Senator from Illinois yield to me for a moment?

Mr. SWANSON. I have not finished.

The PRESIDING OFFICER. Does the Senator from Illinois yield; and if so, to whom?



Mr. GLENN. I yield first to the Senator from Virginia, and then I will yield to the Senator from Tennessee.

Mr. SWANSON. I had not finished my question when I was interrupted. Is it the opinion of the Committee on Claims in passing on these claims that a decision of the Court of Claims is final, or does the committee consider such a decision as a finding of facts which are certified to Congress for the exercise of its judgment?

Mr. GLENN. My understanding is—and other Senators have been here much longer than I and are more familiar with these questions—that when we submit—certainly that is true so far as the Committee on Claims is concerned—a claim to the Court of Claims it is merely for their advice and it comes back to Congress for final action.

Mr. SWANSON. It is left to the judgment and conscience of Congress.

Mr. GLENN. The decision of the Court of Claims is advisory rather than mandatory.

Mr. SWANSON. Nine times out of ten Congress accepts the decisions of the Court of Claims. Are there any cases where the Congress refuses to accept them in instances where the facts are glaring, so far as the Senator knows?

Mr. GLENN. I do not know of any.

Mr. REED. Will the Senator yield to me there?

Mr. SWANSON. Let me get through with my question.

Mr. REED. I want to answer the Senator's question. The Court of Claims has two kinds of jurisdiction, and—

Mr. SWANSON. I know that. It has jurisdiction to find the facts and jurisdiction to render judgment. I am trying to ascertain whether the court entered judgment in this case or merely certified as to the facts.

Mr. GLENN. I have heretofore answered that question.

Mr. SWANSON. Let me ask this question: When judgments are rendered by the Court of Claims, of course, each one is paid individually, is it not? Congress does not appropriate a lump sum to be placed in the hands of the Secretary of the Treasury to pay all the judgments rendered, but they are sent to Congress and Congress passes on them individually, does it not?

Mr. GLENN. It passes on each case individually.

Mr. GLASS. It does not do anything of the kind.

Mr. SWANSON. I want to get the facts then.

Mr. GLASS. If the Senator please, it does not do anything of the kind. We get in the Appropriations Committee a certification of these cases from the Court of Claims, and we dump them in the bill en bloc.

Mr. SWANSON. I mean each case is appropriated for separately.

Mr. GLENN. Each claim is a separate item, as I understand.

Mr. SWANSON. We do not make an appropriation and put it in the hands of the Treasury Department to pay all judgments rendered without an opportunity to determine whether a given judgment should be paid or not?

Mr. REED. If the Senator will look at page 170, he will see exactly how it is done.

Mr. SWANSON. I want to know whether Congress ever makes the appropriations in the manner I have indicated.

Mr. GLENN. I refer that question to the chairman of the Appropriations Committee.

Mr. SWANSON. As I understand, every case is appropriated for separately?

Mr. JONES. Certainly.

Mr. SWANSON. And Congress has never made an appropriation of a lump sum to the Treasury Department, the payments to be made out of such fund in accordance with the judgment of the Secretary of the Treasury.

Mr. JONES. No; not so far as I know.

Mr. SWANSON. Showing that it is not final, as in the case of other items of appropriation.

Mr. JONES. Congress passes on each one.

Mr. SWANSON. As I understand, the appropriations are individually made and the payment of judgments is never provided for by a lump sum, which would indicate that the judgments were considered final.

Mr. JONES. Not that I know of.

Mr. REED. Will the Senator from Illinois yield to me for a moment?

Mr. McKELLAR. Mr. President—

The PRESIDING OFFICER. To whom does the Senator from Illinois yield?

Mr. GLENN. I promised to yield next to the Senator from Tennessee.

Mr. REED. The Senator from Tennessee will not insist on being first, I am sure, as I want to answer the Senator from Virginia.

Mr. GLENN. Very well.

Mr. REED. If the Senator will look at section 3, on page 170, he will see that Congress does exactly what he has suggested, namely, appropriates a lump sum for all of the "judgments rendered by the Court of Claims and reported to the Seventy-first Congress, in Senate Document Nos. 286 and 294 and House Document No. 760."

Mr. SWANSON. I know that. Of course, that is done to cover them in the aggregate, but what I want to know is, does Congress appropriate, for instance, \$75,000,000 to pay judgments of the Court of Claims that are not certified here?

Mr. REED. Oh, no.

Mr. SWANSON. Then, does not that show that Congress still retains its jurisdiction over them?

Mr. McKELLAR. Mr. President—

Mr. GLENN. I now yield to the Senator from Tennessee.

Mr. McKELLAR. Before I read what I have in mind to read I want to ask the Senator from Illinois has this judgment been rendered within the last two years?

Mr. GLENN. Yes.

Mr. McKELLAR. Within the last two years?

Mr. GLENN. That is my understanding.

Mr. McKELLAR. Then I wish to read to the Senate from section 282, on page 900, of the Judicial Code:

The Court of Claims, at any time while any claim is pending before it, or on appeal from it, or within two years next after the final disposition of such claim, may, on motion, on behalf of the United States, grant a new trial and stay the payment of any judgment therein, upon such evidence, cumulative or otherwise, as shall satisfy the court that any fraud, wrong, or injustice in the premises has been done to the United States.

If that is the law—and it appears to be the law—if the Congress does not pay the judgment and the limitation of two years has not run, upon proper proceedings in the Court of Claims, the case can be reopened at any time within two years.

Mr. BARKLEY. I understand that action for a rehearing was taken and the court declined to grant a rehearing.

Mr. SWANSON. Mr. President—

Mr. GLENN. I yield to the Senator from Virginia.

Mr. SWANSON. No one disputes that the court can not rehear the case; nobody disputes that the time has passed. The only question for us to decide—and action here will establish a precedent for all time to come—is, Are the judgments of the Court of Claims final, so that Congress can not give them any consideration, but, on the contrary, must simply appropriate the money regardless of whether the judgment is right or wrong?

I am not prepared to vote for this amendment and have Congress take that position. If we should do so in the case of this claim, other cases might arise in the future where individual claimants might come here and try to get us to take similar action. I have never understood, so far as Congress is concerned, that the findings and judgments of the Court of Claims were final. I know that nine times out of ten whenever there has been a judgment in a case in which I have been interested the Congress has paid it; but I do not know whether that is the law. If that is the law, we ought to stick to it. If the Government loses in a case, it ought to stand by the decision like a man and accept the result of the litigation.

There are, as I have said, two functions on the part of the Court of Claims, one to find the facts and the other to render judgment. Congress has a right to satisfy itself as to the findings of fact and the judgments of the court, so that the case may still be left with us. I am going to satisfy my conscience before I vote on this question.



Mr. GLENN. Mr. President, as I indicated to the Senate a moment ago, I believe that this is a matter of very great importance not on account of the rather large sum involved but because of the precedent it may establish and which may be followed for years to come. It is a new matter, and is, I think, one of very great importance.

It means nothing, of course, to me. I have merely endeavored to present the facts in this case in order that the Senate may decide for itself whether or not it wants to do as the Senator from Virginia has suggested, whether it thinks it is its duty to accept as absolutely final judgments coming from the Court of Claims, no matter whether or not it is developed that they are full of fraud and absolutely without merit and whether or not it is developed that the Government's case has not been fairly presented.

Mr. HEFLIN and Mr. ROBINSON of Arkansas addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Illinois yield?

Mr. GLENN. Just a moment.

Mr. HEFLIN. Mr. President, I was just going to suggest, inasmuch as it seems that the matter can not be settled for quite a while, that we take a recess until to-morrow morning.

Mr. GLENN. I think the Senator from Arkansas wanted to read a case or some quotation first, and to that I have no objection.

Mr. ROBINSON of Arkansas. The opportunity has not been afforded me to read the entire decision which is reported in 69 Court of Claims Reports, page 91, and covers 20 printed pages. The syllabus—

Mr. McNARY. Mr. President, would the Senator like to have the bill go over so that he may have an opportunity to read the decision to-night and discuss it to-morrow?

Mr. ROBINSON of Arkansas. If the opportunity is afforded, I should like to familiarize myself with the decision. I will state, though, that it appears to be a judgment in the ordinary form:

The judgment herein, therefore, will be for the total sum of \$227,239.53, and it is so ordered.

That is the final sentence in the very long decision which I have before me. The point is that the Government elected to stand on a question of law. That happens in almost every jurisdiction in which I ever practiced. A demurrer may be filed either to an answer or a complaint. If the demurrer is sustained, the adverse party has a right then to plead further. If he elects to stand on the demurrer, the court will render its decision in accordance with the pleadings and other portions of the record. That is a practice that prevails in almost every State of the Union and in nearly all the courts, and that, I think, from a casual inspection of the record, is what happened in this case. It was a final judgment, conclusive and binding. A motion for a retrial, it is said, was subsequently made and overruled. Unquestionably the statute read by the Senator from Tennessee has application. The party may present the grounds that the statute sets forth as a reason for securing a new trial, but the presumption is that the attorneys presented every reason that existed. It seems to me to be just a question whether the Congress wishes to recognize the judgment. There is no power, of course, to compel Congress to make the appropriation.

Mr. SWANSON. Does the Senator think that it will be contrary to the laws of Congress to reserve action on the case submitted and ask the court to send us a statement of facts?

Mr. ROBINSON of Arkansas. Yes; I think the court would cite the judgment and say that the case was res adjudicata in so far as the Court of Claims was concerned.

Mr. McNARY obtained the floor.

Mr. REED. Mr. President, will the Senator from Oregon yield to me?

Mr. McNARY. Yes.

Mr. REED. From the Committee on Finance, I ask leave to present a proposed amendment to this bill and have it referred to the Committee on Appropriations.

The PRESIDING OFFICER. Without objection, the amendment will be received, printed, and referred to the Committee on Appropriations.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. SMOOT. Earlier in the day, Mr. President, I was asked to prepare an amendment and offer it to this bill to provide an appropriation of \$20,877,000 for the war veterans' hospitals. In accordance with that request, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Senator from Utah offers an amendment—

Mr. McNARY. I present a proposed unanimous-consent agreement and ask that it may be entered into.

Mr. SMOOT. I ask unanimous consent for the adoption of the amendment submitted by me.

Mr. McKELLAR. Let us know what it is.

The PRESIDING OFFICER. Let the amendment be stated.

Mr. McNARY. Mr. President—

Mr. NORRIS. Mr. President, has the amendment of the Senator from Pennsylvania been withdrawn?

Mr. REED. No, Mr. President.

The PRESIDING OFFICER. The Senator from Utah presented his amendment by unanimous consent.

Mr. NORRIS. By unanimous consent, can we take up the other amendments that are going to be offered and that will probably take but little time? If we are going to act on one by unanimous consent, can we not extend the same privilege to all of them?

Mr. SMOOT. The amendment introduced by me relates only to hospitalization of the veterans.

Mr. NORRIS. I know.

Mr. REED. Mr. President, I do not give consent to anything that is going to displace the pending amendment.

SEVERAL SENATORS. Regular order!

The PRESIDING OFFICER. The regular order is the request for unanimous consent preferred by the Senator from Oregon.

Mr. SMOOT. I withdraw the amendment I have offered.

#### EVENING SESSION ON THURSDAY FOR THE CALENDAR

The PRESIDING OFFICER. The Senator from Oregon submits a request for unanimous consent, which will be read. The legislative clerk read as follows:

Ordered, by unanimous consent, that at the hour of 7.30 o'clock p. m. on to-morrow, February 26, 1931, the Senate proceed to the consideration of unobjected bills on the calendar, subject to the limitation of debate provided for under Rule VIII, beginning with Order No. 1418.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

#### SECOND DEFICIENCY APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 17163) making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1931, and prior fiscal years, to provide supplemental appropriations for the fiscal years ending June 30, 1931, and June 30, 1932, and for other purposes.

Mr. TYDINGS. Mr. President, out of order, I ask unanimous consent to offer an amendment to the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARKLEY. I send to the desk an amendment to the pending bill, which I desire to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NORRIS. I send to the desk an amendment which I ask to have printed and lie on the table.

The PRESIDING OFFICER. Without objection, that order will be made.

#### AUTOMATIC COPYRIGHT LAW

Mr. BARKLEY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Louisville Courier-Journal on the automatic copyright law.



There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Louisville Courier-Journal of Tuesday, February 24, 1931]

#### COMMITTEE APPROVAL OF A GOOD BILL

During the days when Will Shakespeare was writing fabled dramas for the Elizabethan stage he suffered considerably both in purse and in reputation by the unscrupulous pirating of his works. No remotely adequate copyright laws protected the products of creative genius in those times, and the larceny of popular poems and plays was what would now be called an organized "racket." Often when the actors trod the boards of the Globe Theater, speaking the glorious lines of a new play from Shakespeare's pen, several deft copiers sat in the audience taking down the dialogue as it came to them from the stage.

What with the vagaries of the actors and the crude system of shorthand employed by those who took down the lines, it is small wonder that fidelity to the true text was a thing unheard of.

These pirated versions of the plays were then published and sold "over by Paul's Churchyard" and all through the streets of London town, but the author received not one penny of the profits. Often the pirated edition of the play appeared long before an authorized edition could be prepared for the press, and thus the unscrupulous publisher skimmed off the cream of the profits on a play to which he had no right whatever. The garbled text of these hurried, stolen editions often reduced immortal scenes to sheer nonsense and ringing lines to driving absurdities. In some cases these confusions have lingered on to vex the Shakespearean student even to-day. But the greatest of playwrights was helpless against the inroads of the literary plunderers.

With a painful slowness difficult to understand, the legislators of England have gradually worked toward a state of protection for the creative artists whose names have brought glory to the nation. The latest step in this worthy progression was the adoption of an automatic copyright law. This invaluable reform protects the unpublished works of the artist in whatever form of art he espouses. The moment he sets his pen to paper and produces a poem, a play, or a symphony that work automatically becomes his property without the tedious formality of a registration. The creative artist thus at last achieves equal rights with the carpenter. The carpenter fashions a chair out of the stock of wood he has on hand, and that chair belongs to him, though he has not registered his ownership in a government office. The author fashions a novel out of the raw material of his own mind, and that novel is his by natural right and now at last by law.

This automatic copyright provision, the logical goal of all legislation designed to protect those craftsmen who produce the art, the music, and the literature of the world, has become the law in over 40 nations. The American artist has no such protection. But this reform is an outstanding feature of the Vestal copyright bill now pending in Congress. All those who respect the achievements of the creative artists of America will demand the passage of a bill which grants them their natural right to the products of their own brains.

The Senate Committee on Patents has just favorably reported the measure. Kentucky's two Senators have announced themselves in favor of its passage, and probably a majority of the membership feels the same way. But that is not enough. Senators should be alert to see that the bill is brought up and passed and not lost in the shuffle during the closing days of the session.

#### DROUGHT RELIEF—WORK OF THE RED CROSS

Mr. WHEELER. Mr. President, I ask leave to have published in the RECORD an article from Labor, of Washington, D. C., in its issue of the 24th instant, on the subject of drought relief and the work of the Red Cross.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Labor, Washington, D. C., Tuesday, February 24, 1931]

VICTIMS OF THE DROUGHT ARE COMPELLED TO WORK FOR 15 CENTS AN HOUR—GET PAY IN STORE ORDERS—SOME FORCED TO LABOR FOR PRIVATE CREDITORS ON PAIN OF LOSING "DOLE"

LITTLE ROCK, ARK., February 19.—For the last 10 days this writer has been wandering over the drought-stricken areas in Arkansas and adjacent States, commissioned by the editor of Labor to report conditions as he found them.

A similar assignment from Labor carried me into this same region in 1927, when great floods caused immense loss of life and property. At that time it was necessary to speak plainly concerning some of the Red Cross activities, pointing out that many of its representatives were guilty of gross favoritism, giving lavishly in some instances to those who did not need help while neglecting others who were in dire straits.

#### FACTS CAN NOT BE DENIED

What was written at that time was not denied, because denial was impossible. I am equally confident that what is set forth below will not be questioned, for it is only a recital of proven or admitted facts, and the supporting evidence may be obtained by anyone sufficiently interested to make the effort.

Figures compiled by the Arkansas State Bureau of Statistics show one-fourth of the population of this State in need of food—

500,000 in the farming regions and 30,000 unemployed in the cities—unemployment having increased 2 per cent since January 1.

Thus, out of the 1,000,000 people the Red Cross is supposed to be looking after, some 500,000, one-half, are in Arkansas.

#### BARRIERS TO RELIEF

The average reader of the daily papers naturally thinks that the Red Cross is doing its utmost to alleviate suffering, and that all a man lacking food has to do is to ask for it and he will get it. That may be the general idea, but it is not the way the relief program is working out.

Dr. Julius Klein, Assistant Secretary of Commerce, in a radio address on business depressions delivered on the evening of February 12, offered 10 pieces of advice, including the following:

"Don't fall into the fallacy of expecting the wage earner to bear the brunt of readjustment. Talk of drastic slashes in American living standards borders closely on lunacy."

Evidently many of the representatives of the Red Cross in the drought areas do not feel that Doctor Klein's advice was addressed to them.

#### WAGE-CUTTING CAMPAIGN

There is ample evidence to sustain the charge that some of these Red Cross officials have knowingly and deliberately adopted a policy of cutting wages and thus breaking down American standards of living.

The average man who contributes his dollar, \$5, or \$10 to the Red Cross thinks that organization gives his contribution to some starving man or woman. Well, that is not the way it works in the drought regions. The Red Cross makes men work for what they get at the rate of \$1 a day, and in many instances compels them to work for some one to whom they owe a debt.

Go to Benton, Ark., and you'll find this to be true.

#### RUN BY EMPLOYING CLASS

The Red Cross there, as in the whole of Arkansas, with a few shining exceptions, is run by employers of labor, plantation owners, and the local self-appointed guardians of the rest of the populace.

Benton is a city of 3,000, 22 miles southwest of Little Rock, with factories shut down or working part time and 300 men out of work. The city scale for work done by ordinary labor was from \$2 a day up.

The mayor and other Red Cross officials evolved a scheme to have the unemployed clear out ditches, cut underbrush, and clean up a cemetery. They were paid by the Red Cross 15 cents an hour, or \$1.20 a day, each man getting three days' work. But they were paid in orders on local merchants.

Naturally, there was considerable objection to forcing men to work for 15 cents an hour. Anybody could see that would tend to lower the wages of those who had jobs. It might be well to note that those forced to work for 15 cents an hour were white Americans.

#### "MAKE 'EM WORK"

Protests against this wage-cutting campaign were answered by well-fed gentlemen loafing around hotel lobbies with the statement:

"That's the way to do. Make 'em work for what they get. Those 'bums' wouldn't work at all if they weren't forced. I don't believe in giving anybody anything. Make 'em work for it. Why, if those 'hill billies' find out they can get something without working they'll never work."

That brand of insult is not the least of the burdens that sufferers in Arkansas have to bear, and they are beginning to manifest resentment.

About 4 miles from Benton the State is to build a hospital for the insane at a cost of \$300,000. A subcontractor started to clear the grounds preparatory to building. It is said he is from Oklahoma and some men working for him told the men of Benton that the contractor paid 35 cents an hour for common labor.

#### CONTRACTOR FOLLOWS EXAMPLE

The mayor of Benton called on the contractor's representative, told him there were 300 jobless men in Benton whom he would like to see employed, and incidentally mentioned the fact that those unemployed worked for 15 cents an hour.

The contractor thereupon fixed a rate of 20 cents an hour, and the men of Benton were soon up in arms, some of them saying the mayor told the contractor not to pay more than 15 cents an hour. An investigation shows that all the mayor did was to tell what the Red Cross was paying men who were working for the city. His honor and the other officials of the Red Cross at Benton had fixed a rate of 15 cents for city work, and naturally the contractor took advantage of the situation.

#### TWO DOLLARS A WEEK

Right in that city of Benton the Red Cross "gives" part of your dollar to a sufferer in the following manner: Let us suppose the unemployed man is married with a wife and two children.

He must unload potatoes for \$1 a day, and then only for two days. Two dollars a week on which to feed four people. And, remember, he doesn't get money, but an order on a merchant for \$2 worth of food.

It may be said that is an isolated instance and not general—unfortunately it is general.

In Clay County the Red Cross is compelling those who are indebted to plantation owners and others to work out their debts at a dollar a day.

The Red Cross gives them an order for one dollar's worth of food for every day they work for their creditor.



## BECOMES COLLECTION AGENCY

Understand, those unfortunates do not owe the Red Cross a cent. They are not working for the Red Cross. They are working for a private individual to whom they owe money, and the Red Cross will not feed them unless they take the employment offered.

Thus the Red Cross is used as a collection agency that makes unfortunates work for twice as many days to pay off a debt as they would in normal times.

Then over in Poinsett County the regular price for clearing and grubbing an acre of ground was \$10. The Red Cross has taken over the job of clearing and grubbing for \$6 an acre and makes drought sufferers work at that clearing and grubbing if they want to eat—gives them an order for \$1 on a local merchant for each day's work.

## AFRAID TO TALK

Those are facts. Any investigating committee can discover them as easily as the writer did. In fact, no one tries to hide them. Those responsible are rather proud of what they're doing—they "ain't going to let those bums get into the habit of not working."

Here is something that sticks out like a sore thumb: The unfortunates receiving "benefits" from the Red Cross—whites, not negroes—are afraid to be seen talking to anyone seeking information. They'll tell you, "I'm afraid, mister. If I say anything, I'd most likely get taken off the list."

Afraid of losing even the dole they are working a whole day for! The Red Cross in Arkansas is run by a Power Trust official and minor and local officials of the Red Cross are of the same type.

## CHARITY IS COMMERCIALIZED

Many citizens of Arkansas who are able to take care of themselves are not happy over the situation. A prominent merchant said to this writer:

"The whole trouble with the Red Cross is that it is commercialized. Men who have something to sell should not be placed in control, either in the State or locally.

"Here in this store I have filled an order for \$6 for a brother of a Red Cross official—given him though he had not earned it—while in no other instance has any order for more than \$3 been presented. Usually the orders are for \$2.

"The county agricultural agent and the county physician should be made the dispensers of relief funds. They know who are in need. They are not in politics or business, have no financial or political axes to grind, and would not be used to cut down wages and thereby make destitution and misery a permanent condition, as the present management of the Red Cross is doing.

"The Red Cross is not a charitable institution at present, nor will it be while those who now control are in power."

## PLANS OF RED CROSS

John Barton Payne, chairman of the American Red Cross, last week issued an emphatic denial of the statement that his organization expected to abandon its charitable work in the drought regions on March 1.

A short time before, Congressman SANDLIN, of Louisiana, had received a letter from Everett Dix, assistant manager of the Red Cross for the eastern area, informing him that instructions to shut down on March 1 had been sent into Southern States.

Red Cross headquarters supplemented Mr. Payne's declaration with the statement that "general feeding" would stop on March 1. It is difficult to reconcile these conflicting statements.

## RELATION OF INLAND WATERWAYS TO AGRICULTURE

Mr. SHIPSTEAD. Mr. President, I ask unanimous consent to have printed in the RECORD a thoughtful and scholarly address by Col. George C. Lambert, of St. Paul, Minn., secretary-treasurer of the Farmers' Union Terminal Association and chairman of the executive committee of the Mississippi Valley Shippers' Conference. The address was delivered over the radio on February 23, 1931, and explains the relation of the development of the inland waterways to agriculture.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

## THE RELATION OF THE INLAND WATERWAYS TO AGRICULTURE

(By Col. George C. Lambert, of St. Paul, Minn., secretary-treasurer, Farmers' Union Terminal Association, chairman executive committee, Mississippi Valley Shippers' Conference)

In the brief time allotted to me I propose to discuss more specially the relation of the inland waterways to agriculture. I am fully conscious, however, of the importance of water transportation to industry and labor, whose interests are so closely identified with the welfare of agriculture. One economic group can not continue to prosper while either of the others is in distress and deprived of its income.

## PRODUCER-CONSUMER

Under the complex relations created by the covenant of society, individuals have become absolutely dependent upon one another for existence. They must rely upon their ability not only to produce but also to exchange or sell their product, their labor, or their services in order to procure the necessities of life and the things that make up our established standard of living. In that

sense all members of society are both producers and consumers. These functions are inseparable and reciprocal. The consuming power of the public is therefore measured by the ability of the individual members or groups of society to find and reach a market for their product. And, under modern conditions and the pressure of competition, transportation has become a great factor, indeed the controlling factor, in bringing into close contact the various activities of a country and establishing its markets.

## THE FARMER AND INDUSTRY

In the United States, and more particularly in the mid-West, agriculture is the principal industry, the basic industry, and upon its welfare largely hinges the prosperity of the other groups. The farmer, as a class, is the biggest shipper in the world, and pays freight on his products for a longer distance than any other shipper. As a rule, he has no control over his selling price, either foreign or domestic; that is fixed in the world's markets. He can not, like the dealer or distributor, add the freight to his cost and pass it to the consumer. He stands at the end of the line and pays the freight both ways. The farmer is now concededly operating at a loss, and is therefore vitally interested, not only in the relative level of freight rates but in the primary cost of every form of transportation which is deducted from his selling price or added to his costs. Industry and commerce, in the agricultural States, are to a large extent dependent for their markets on the net income or purchasing power of the farmer. They are, therefore, equally interested in the reduction of the farmer's costs and in the restoration of his income.

## THE FARMER PAYS ALL THE FREIGHT

On the staple commodities, of which we produce a surplus, the farmer pays the freight, not only to the primary market but also to the foreign market, regardless of the fact that his product may never reach that market. To illustrate: The price of wheat at a local point in Montana is based on the Minneapolis price less freight (and other charges) from the local point to Minneapolis, and the Minneapolis price is based on the Liverpool price less freight (and other charges) from Minneapolis to Liverpool. The farmer thus bears the entire burden of transportation, and pays the freight and all intermediate charges from the farm to Liverpool. And that is true, not only of the grain moved to Liverpool but of grain that never moves beyond the local or primary market. This situation was clearly brought out by Mr. Hoover, then Secretary of Commerce, in his statement before the Committee on Rivers and Harbors, January 30, 1926, when he said:

"It seems to be certain that the cost of transportation to these competitive markets must be deducted from the farm price, and that it not only affects the actual grain moved to these markets but establishes a lower comparative price level for all grains produced.

And that is not all. When the farmer buys the rule is reversed and he pays the freight on everything that enters into his cost of production. It is a typical case of "heads I win and tails you lose." It would, therefore, be difficult to find an economic group more vitally interested in the cost of transportation than agriculture. At the same time there is, perhaps, no group so helpless and so unprepared to solve the complex transportation problems that confront it. Unlike industry, agriculture is not organized; it has no traffic bodies of trained men whose business it is to study these problems, to meet the traffic experts of transportation companies, and resist the constant pressure of the carriers for higher freight rates.

## DISTANCE TO MARKET

From the flagpole on the agricultural college campus at Fargo it is over 1,500 miles to the Atlantic Ocean, to the Pacific Ocean, to Hudson Bay, or to the Gulf of Mexico. We are in a landlocked area, far from the seaboard. Our products, to be of any value, must reach the consumer, and the centers of consumption are on the seacoast or in foreign lands. Ten years ago the Secretary of Agriculture, describing the plight of agriculture in his official report, said:

"The cost of getting farm products from the farm to the consumer's table has increased tremendously during the past three years. The freight charge is very nearly doubled, and in some cases more than doubled. When wheat was selling at \$2.50 per bushel, corn at \$1.75, cattle and hogs at \$16 to \$22 per hundred, cotton at 30 cents per pound, the increased freight rate was not a serious matter. It amounted to but few cents, relatively, and was a small item in the total price. But with wheat at \$1, corn at 48 cents, cattle and hogs at \$7 to \$10 per hundred, cotton at 17 to 20 cents (all these being primary market prices, not farm prices), the addition of even 10 cents per bushel or per hundred pounds imposes a burden grievous to be borne. When farm prices are ruinously low any addition to the freight charge means added distress. At the present time the cost of getting some farm products to market is greater than the amount the farmer himself receives in net return. And the heaviest freight burden naturally falls on those farmers who live in our great surplus-producing States.

"Not only do the very large advances in freight rates impose a heavy burden on the producers of grain and livestock, cotton and wool, but on the growers of fruits and vegetables as well. Indeed, some of the latter have been compelled to see their products waste in the fields because the prices offered at the consuming markets were not large enough to pay the cost of packing and transportation."

Conditions have not improved for agriculture since these words were spoken. Little hope is entertained for reduced rail rates; the tendency is the other way because of the fixed relation be-



tween the rate and the capital charge. No substantial relief is held out by the Interstate Commerce Commission under present decisions of our courts. Commissioner Joseph B. Eastman, a member of the commission, a man of recognized ability and long service, tersely states the situation in these words:

"Under the valuation doctrine the capital charge, in the case of privately owned utilities, can apparently never be reduced or eliminated by any sinking fund or other similar provision; it is a perpetual millstone around the public neck; and it may double in weight without any change in the underlying property if the reproduction-cost theory is finally sustained."

And that theory has since been sustained. Obviously, the only remaining hope of agriculture, and for that matter of industry, in this region lies in the development of water carriage to supplement rail transportation. The Mississippi system and the Great Lakes offer such opportunities. In spite of the unfinished condition of most of these channels they are already exerting a powerful influence in the regulation of rail rates.

#### RAIL AND WATER COSTS

The relative cost of transportation by rail and by water was aptly shown in a statement of the Secretary of Commerce issued at Kansas City, Mo., October 19, 1925. He said:

"If we have back loading, 1,000 bushels of wheat can be transported 1,000 miles on the Great Lakes or on the sea for \$20 to \$30; it can be done on a modern-equipped Mississippi barge for \$60 to \$70, and it costs by rail from \$150 to \$200. These estimates are not based upon hypothetical calculations but on the actual going freight rates. The indirect benefits of the cheaper water transportation to the farmer are of far wider importance than the savings on individual shipments might indicate. In those commodities where we are dependent upon exports for a market—and upon some domestic markets—the price level will be determined at the point where the world streams of that commodity join together in the great markets. Thus the price of wheat is made at Liverpool, and anything that we can save on transportation to Liverpool is in the long run that much in addition to the farmer's price. And it is not an addition solely to the actual goods which he may have shipped to that market, but it lifts the price level in our domestic market on the whole commodity in this same ratio. Thus, if we can save from 5 to 7 cents a bushel additional by the completion of the Mississippi and Great Lakes systems, we will have added a substantial amount to the income of every farmer in the Middle West."

Freight is carried on the Great Lakes at 1½ mills per ton-mile and yields a profit. Ocean shipping earns from 1 to 3 mills per ton-mile, depending on the class of tonnage, the port of destination, and the return cargo. On the inland rivers, freight is carried by the Mississippi-Warrior service at 3.92 mills per ton-mile on incompleting channels, and it has been carrying bulk commodities, such as wheat, profitably at 2½ mills per ton-mile. On the Class I railroads, in 1929, freight was carried at 11 mills per ton-mile. Last year the Monongahela River, a tributary of the Ohio, carried 30,000,000 tons of freight, mostly coal, from the mines in West Virginia to Pittsburgh at a rate of 19 cents per ton as against a rail rate of \$1.14 per ton, or six times the water rate.

The Pittsburgh Traffic Bureau is authority for the statement that rail freight on steel products from Pittsburgh to New Orleans is from \$10 to \$13 per ton, depending on classification, and the barge rate (Steel Co. fleets) is a flat \$3 per ton, with all proper charges against the operation, including the return of empties. The Ohio is completely canalized (slack water) for its 1,000-mile length, and it has 50 locks and dams.

#### COMPETITIVE AND NONCOMPETITIVE RATES

The prices of all commodities, including transportation services, are greatly influenced by competition. Hence where competition is eliminated rates are higher. Water transportation, where its influence can be felt, either directly or through joint relations with railroads, acts as a stabilizer of rail rates.

For instance, the rail rate on grain from Havre, Mont., to the Twin Cities, 905 miles, is 39½ cents per hundred pounds. The rail rate, Duluth to Buffalo, 976 miles, is 32 cents, and the water rate for the same haul is 3½ cents.

The grain export rate, Twin Cities to New Orleans, 1,240 miles by rail, is 31 cents. By barge over the Mississippi River, 1,829 miles between the same points, the rate is 14.8 cents.

To illustrate the crushing weight of dry-land rates on these sections that are not favored with water competition, let us take the case of a farmer in Montana. Last week, February 18, 1931, the local market price of rye at Ledger, Mont., was 5 cents per bushel. This price was based on the Minneapolis price of 37 cents, less 25 cents per bushel (44½ cents per hundredweight) for freight, and 7 cents for intermediate handling charges and commissions. And out of this local price of 5 cents, this farmer had paid not less than 7 cents for threshing besides his entire cost of production.

The Interstate Commerce Commission recently prescribed new maximum rates which the railroads are permitted to charge for carrying wheat from country elevators to primary markets, such as the Twin Cities, the Missouri River, and St. Louis. These rates must be put into effect by April 1, 1931.

Farmers at Forsyth, Mont., on the Milwaukee and Northern Pacific, 743 miles west of the Twin Cities, and Glasgow, Mont., 752 miles west on the Great Northern, under this order will pay 20.4 cents a bushel for having their grain hauled to market at the Twin Cities. If this wheat is marketed in Liverpool, the railroads will haul it east from the Twin Cities to Montreal, 1,125 miles, for the same freight rate, because the water lines down

from Duluth to Montreal during the season of open navigation on the Lakes will haul it much cheaper than this and the railroads want to encourage some of the wheat to move over their lines while the Lakes are closed by ice. From April to November the wheat can move down by water from Duluth to Montreal for 8 cents a bushel. With the completion of a good dependable 9-foot channel from the Twin Cities to St. Louis, this wheat can be profitably hauled from the Twin Cities down to New Orleans, a distance by water of 1,850 miles at the same rate of 8 cents a bushel.

This is also the rate which, on April 1, the railroads will charge for bringing the farmers' wheat to the market at the Twin Cities from Staples, on the Northern Pacific, a distance of 141 miles, from Evansville, 153 miles west on the Great Northern, from Glenwood on the Soo, 133 miles west, or from Appleton, Minn., 157 miles west of the Twin Cities, on the Milwaukee Road. In other words, on the basis of the facts as they now exist, the Mississippi River or the Great Lakes can and do haul the wheat of the Minnesota farmer ten times as far toward the markets which fix his price as the railroads can afford to haul it for the same money. This is a fact of such tremendous importance to all the farmers of the Northwest that it ought not to be lost sight of, and it is the point I desire to emphasize. The early completion of the 9-foot channel in the Mississippi River to the Twin Cities, now authorized by Congress and under construction, gives to all Northwestern grain the choice of the Lake market at Duluth and the River market at the Twin Cities, with its great milling demand. And the price at both these markets, when the river is fully in use, will be controlled by a transportation cost beyond the Twin Cities which is but a small fraction of the cost of bringing the grain to these markets by rail. Without these cheap water outlets grain farming in the Northwest must soon become ruinous because of the great distance of these grain fields from the world markets which fix the price to be paid for grain at the farm.

The same thing is true of the wheat fields of the Southwest, another land-locked section.

The commission has fixed the export rate by rail on wheat from St. Louis to New Orleans, to become effective April 1, at 8.4 cents a bushel. The rail distance is 700 miles. The barges will carry it down to New Orleans from St. Louis, a distance by river of 1,150 miles, for 5 cents a bushel, or less. Scott City, Kans., is 700 miles west of St. Louis on the Missouri Pacific. Liberal, Kans., is 700 miles west of St. Louis on the Rock Island, and Shattuck, Okla., 700 miles west on the Santa Fe. The rate on wheat from these stations by rail to St. Louis markets on April 1 will be not less than 18.5 cents a bushel. This is more than twice the rate which the commission has ordered the railroads to charge for carrying the farmers' wheat on down from St. Louis to New Orleans, where there is active water line service. This rate from these Kansas and Oklahoma points 700 miles distant from St. Louis is nearly four times as great as the rate of 5 cents a bushel, at which the barge lines will take the wheat from St. Louis on down to New Orleans, a water distance 60 per cent greater than the rail haul to St. Louis.

The manufacturer, under these conditions, does not fare much better than the farmer. One of the largest manufacturers of agricultural implements in the world is located at Moline, Ill., with an extensive market on the Pacific coast. The rail rate on agricultural implements from Moline to the Pacific coast is \$1.86 per 100 pounds. The rail and water rate from Moline to the Pacific coast, traveling 1,000 miles east to Baltimore and thence by water around the Panama Canal to the West coast, is \$1.28 per 100 pounds. The water rate from Baltimore to the Pacific coast is 65 cents per 100 pounds. Baltimore is near the steel districts, and agricultural implements can be manufactured there at least as cheap as in Moline. This industry was saved, however, for the mid-West by the barge line recently established on the Mississippi River, and is now shipping through the Gulf at an all-water rate of 75 cents per 100 pounds. This case is typical of many others and explains the gradual loss or migration of our industries to more favorable locations.

#### THE TRANSPORTATION ACT AND THE PANAMA CANAL

We are now witnessing the culmination of a legislative policy, far-reaching in its consequences, which had its inception in the enactment of the fifteenth section of the transportation act of 1920. This section, in effect, directs the Interstate Commerce Commission to so mold rate adjustments as to secure a fair return for investors in rail securities, a privilege accorded to no other form of transportation. The result has been a persistent, unremitting urge for higher and higher rates. These additional levies could not be made upon those sections where the rate structure was anchored by water competition. The burden, therefore, fell and must continue to rest with ever-increasing weight upon the dry-land areas, the agricultural districts, who are least able to bear it. And the end is not in sight. The recent decision of the Interstate Commerce Commission in the Western Trunk Line class rate case, to become effective April 1, 1931, is so harsh in its application to mid-West shipping that Commissioner Porter, dissenting, exclaims:

"Such increases are staggering; they are bound to put many shippers out of business."

With the adoption of this policy came the completion of the Panama Canal, which opened a new water route between the Atlantic and Pacific seaboard, longer when measured by distance, but substantially shorter when measured by water rates. The Middle West, though assessed for the cost of this improvement, was excluded from its benefits because it then lacked the fore-



sight to demand access to the canal through the Mississippi system. The result was complete isolation and the loss of our Pacific coast markets.

Mr. Hoover, in a report filed by him in Congress in 1927, describes the situation as follows:

"In the mid-West, the territory tributary to any of these projects, the economic situation is considerably distorted; there is much agricultural distress and incessant demands for remedial legislation. This situation to a large extent has been brought about by transportation changes. Increases in railway rates since the war force the mid-West farmer to pay from 6 to 12 cents more per bushel to reach world markets than before the war. Foreign farmers produce close to ocean ports and pay but little, if any, more than pre-war costs, because shipping rates are substantially at pre-war levels. While it is true that these rate increases apply only on the exports of grain, nevertheless the price which the farmer receives in foreign markets is the principal factor in determining his return upon the whole crop, not alone the export balance. It is this transportation differential that is, unquestionably, one of the most important causes for our present agricultural depression.

"Coincident with these increased rail rates, the mid-West has also been affected adversely by the operation of the Panama Canal. Cheapened water transportation has brought the coasts relatively closer together at the same time that increased rail rates, figuratively speaking, have moved the mid-West farther from seaboard. This situation has been expressed graphically by setting up a new measuring unit in the shape of the number of cents that it takes to move a ton of freight. By using this measuring rod it can be stated that for a certain manufacture these postwar influences have moved Chicago 336 cents away from the Pacific coast, while New York has been moved 224 cents closer to the Pacific coast. These factors operate reciprocally and not only place a handicap on the outbound products of the mid-West, but also add to the costs of inbound supplies."

#### THE RETROGRESSION OF THE MID-WEST

The effect of these handicaps on the economic development of the mid-West is most serious. We are not only failing to progress, but we are actually losing ground. The number of manufacturing establishments in the mid-Western States has steadily decreased since the opening of the Panama Canal, and to-day the number of these establishments is smaller than it was 30 years ago. This confirms the recent findings of the special board of United States Engineers assigned to the survey of the upper Mississippi River, who reported that "industries have not located in this area because transportation costs, both on raw material and on finished products, have been so high as to dictate their location elsewhere," and that "the grain producer has had little choice but to sell at one price to the one market."

Even our population has not kept pace with the rest of the country, and as a result of the last census our representation in the next Congress will be materially reduced. Missouri will lose 3 Representatives in the next Congress; Kansas, 2; Nebraska, 1; South Dakota, 1; North Dakota, 1; Minnesota, 1; Wisconsin, 1; Iowa, 2; Indiana, 2; Kentucky, 1, and Tennessee, 2. These States will suffer a total reduction of 17 in their representation in Washington, while the States of Michigan, Ohio, New York, New Jersey, Florida, Texas, California, and Washington, all of which enjoy the blessings of cheap water transportation, have gained a total of 25 Representatives in Congress.

This situation presents a grave problem for the Middle West, a problem which involves not only the farmer, the manufacturer, the laborer, and the merchant but the western railroads as well. For how long will the farmer, whose income has been wiped out, continue to ship grain which he can only raise at a loss? How long will the factory continue to employ labor and create tonnage for the railroad in a section where it must sooner or later be crushed by outside competitors enjoying more favorable rates? Yet, under the conditions I have described, the railroads can not alone meet our problems, and their executives have frankly said so.

Clearly the remedy lies in a cheaper form of transportation which will bring this landlocked interior closer to the seaboard and closer to the markets of the world. Water transportation through the development and use of our rivers—the great highways which nature has provided—is our only solution.

James J. Hill, the empire builder of the Northwest, who boldly pushed his road to the Pacific coast, was guided by his vision of ultimate returns, predicated not on a division of existing tonnage but on the development of new tonnage to be created in the midst of northwestern industry and agriculture. Mr. Hill had a keen appreciation of the waterway to the railroad when he said:

"You can not find a man eminent in the railroading in this country who is not also an ardent advocate of waterway improvement. The future of the waterway is assured, not so much as a competitor but as a helper of the railroad."

And the prediction of Mr. Hill has already been realized on the Ohio River, whose banks are lined with factories receiving their raw material by water and distributing the finished product by rail. The tonnage of the railroads paralleling this stream has been materially increased, while the water tonnage carried by the Ohio River and its tributaries is nearly double that of the Panama Canal.

The helpful relation of the waterway to the railroad is further brought out in the report of the Chief of Engineers, United States Army, 1929, which shows that the total tonnage on all rivers, canals, and connecting channels of the United States (exclusive of the tonnage handled on the Great Lakes and seaports)

amounted, in 1922, to 111,800,000 tons, valued at \$3,177,900,000, or a unit value of \$28.42 per ton. In 1928 this tonnage had increased to 227,300,000 tons, valued at \$3,888,000,000, or a unit value of \$16.88. These figures are highly significant and suggest that the rivers, while increasing their tonnage rapidly, are gradually yielding to the railroads the more profitable classes of freight. They are assuming the burden of carrying the raw material to the factory at rates which will make possible the development of new industries. And this explains the greater increase in tonnage enjoyed by railroads paralleling rivers and in competition with barge lines.

#### THE MISSISSIPPI RIVER SYSTEM

A glance at the map reveals the Mississippi and its tributaries as the natural channels of mid-West trade. Rooted at the Gulf, the trunk and branches of this system penetrate our best fields of production. The Mississippi Valley contains 98 per cent of the iron ore of this country, 70 per cent of its known petroleum resources, 82 per cent of its coal deposits. It produces 70 per cent of our agricultural products and 68 per cent of our exportable products. In the improvement of these arteries of commerce lies the hope of the mid-West for relief from the oppressive rates now stifling its development.

Of special interest to western agriculture is the improvement of the Missouri River and of the main channels of the Mississippi River with its western tributaries. These streams tap the States of Montana, North Dakota, South Dakota, Minnesota, Wisconsin, Nebraska, Iowa, Illinois, Kansas, Missouri, Kentucky, Oklahoma, Arkansas, Tennessee, Mississippi, Texas, and Louisiana. Eastern tributaries of the Mississippi River bring in the products of the States of Alabama, Indiana, Ohio, Pennsylvania, West Virginia, and North Carolina.

Through joint relations with railroads, now provided in the Shipstead-DeNison Act, these products can be brought by rail to the river crossings, and thence participate in the benefits of water transportation to destination.

The clear vision of President Roosevelt, the builder of the Panama Canal, as to the potential value of the Mississippi system is revealed in his special message to Congress dated February 26, 1908:

"Our river systems," said President Roosevelt, "are better adapted to the needs of the people than those of any other country. In extent, distribution, navigability, and ease of use, they stand first. Yet the rivers of no other civilized country are so poorly developed, so little used, or play so small a part in the industrial life of the Nation as those of the United States. In view of the use made of rivers elsewhere, the failure to use our own is astonishing, and no thoughtful man can believe that it will last."

#### IMPROVEMENT OF INLAND WATERWAYS

The waterway, like the road, is a public highway. It is not reserved to the use of a single transportation company like the railroad right of way. It is free to all, not only to common carriers but also to private carriers and to the public generally. It is a part of the national domain and should be treated as such. The application of public funds to the construction, improvement, and maintenance of roads and waterways is in the nature of a capital investment. It creates a new asset, the value of which is measured by its potential and beneficial use to the public and to the Nation.

The consideration, therefore, which should influence the expenditure of funds in the improvement or construction of a public highway, by land or by water, are its cost and its benefits; its cost under the most efficient methods of financing and construction, its benefits when all elements have been taken into consideration and each factor has been assigned its proper weight.

The appraisal of benefits to be reasonably expected from this expenditure should be based on the life, nature, and extent of the improvement. These benefits include the economic necessity for the improvement, the opportunities for savings in the cost of transportation services, the proper readjustment of economic relations, the development of new markets and new industries, the control of floods, the conservation of waters in lakes and streams for recreational and commercial purposes, the strategic value of the improvement in the scheme of the national defense, possible water-power development, and any other elements that may contribute to the prosperity of the country or to the taxable income of its people.

The Midwestern States, who have been injured by the construction of the Panama Canal, have a special right to demand that their balanced trade relations, destroyed by governmental action, be speedily restored, and that the benefits of the Panama Canal be extended to all those who were assessed for its cost. The duty to correct these distorted conditions rests with the Government responsible for their creation.

#### THE NATIONAL WATERWAYS PROGRAM

A broad view of our economic needs and a study of these problems led Mr. Hoover, then Secretary of Commerce, to formulate a program for the development of our inland waterways. Describing the two great trade routes, Mr. Hoover said in his Minneapolis address, July 20, 1926:

"One of them is an east and west waterway across half the continent, from Pittsburgh to Kansas City, along the Allegheny, the Ohio, the Mississippi, and the Missouri Rivers. The other, a great north and south waterway across the whole Nation, reaches up the Mississippi from the Gulf, dividing into two great branches, one to Chicago and extending thence by the Lakes to Duluth, the other through the upper Mississippi to the Twin Cities."



The necessity for a speedy development of this program was also emphasized by Mr. Hoover when he said, in the November, 1928, issue of the *National Inland Waterways*:

"The Nation has dillydallied upon it for years, and to-day even the work which has been well done lies in disconnected segments which are as much the negation of a real transportation system as the New York Central would be if it were made of alternate narrow and broad gage tracks."

And finally the President, in announcing the program of his administration in relation to the development of an inland waterway system, at Louisville, October 23, 1929, said:

"Some have doubted the wisdom of these improvements. I have discussed the subject many times and in many places before now, and I shall not repeat the masses of facts and figures. The American people, I believe, are convinced. What they desire is action, not argument. We should establish a 9-foot depth in the trunk system. We should complete the entire Mississippi system within the next five years. It is of the nature of a capital investment."

This program is now well under way as far as it covers the States east of the Mississippi River. The Ohio River project, including the Monongahela, is completed. Means have been provided to complete the Illinois River project within 18 months. This improvement will connect Chicago by water with the Gulf. Harbor improvements on the Atlantic and Pacific Oceans are being vigorously pushed. But that part of the program covering the dry-land sections west of the Mississippi River, the agricultural sections in greatest need of relief, has not progressed as rapidly as to justify its completion within five years. Unless positive action is taken to properly finance the works of construction authorized by Congress on the upper Mississippi, the Missouri, the Arkansas, and other western tributaries of the Mississippi River, the completion of these improvements may be delayed beyond the life of the present generation. These delays are due in part to opposition, now gaining in force, and more specially directed at this form of relief for the Northwest and Southwest.

#### THE OPPOSITION

It is inconceivable that anyone could be found in this section so disloyal as to oppose a development in which the economic life of the mid-West is at stake. Yet we have opposition, and strong opposition, and it is well to analyze it so that it may be properly met. This opposition proceeds from two sources, from those interests who are engaged in the exploitation of the Middle West and are not concerned in its development, and from those who lack information or have been supplied with misinformation as to the needs of their section.

To the latter group my remarks are specially addressed, for in a democracy no group, social or economic, can progress beyond the understanding of its own members. This truism accounts for the inertia or stagnation of many individuals and groups and for much ill-advised action in matters involving their immediate welfare. It explains their seeming acceptance of a state of subservience to other groups in the economic life of the Nation.

The other class of opposition is dangerous because it is active and well financed. It is composed of those who have, or believe they have, become the beneficiaries of the economic losses of the mid-West and refuse to relinquish their temporary advantage. We find the railroad executives, under strong pressure from eastern holders of railroad securities, oppose anything which will interfere with their demands for more revenue and higher rates. And this was not wholly unexpected or unforeseen. The passing of western railroad ownership to eastern control so impressed the substantial western business interests that the Chicago Tribune, reflecting the views of these business men, has for years kept at the head of its editorial columns the slogan "Purchase of western railroads by western investors." Western railroad owners and executives of the type and vision of James J. Hill have passed away, and we have now absentee ownership and distant control, not only of western railroads but of many lines of business that have been acquired or absorbed by eastern firms. We are confronted with a policy of exploitation as against a policy of development.

And the railroads of the country as a body are now preparing to ask Congress to see that busses and trucks on highways, steamships and barges on waterways shall pay taxes or license fees greater than they are now paying. They also demand that every vehicle which operates on a public highway or on a navigable lake, river, or canal shall have its rates fixed by the Interstate Commerce Commission. The clear purpose of all this agitation is to put all shipments back on railroad cars by making the cost of shipping by any other form of transportation so expensive that the shipper can use nothing but the railroad. And, beyond all this, the railroads insist that their own rates must not be further reduced. These proposed measures, they intimate, would tend to restore "the normal growth of freight traffic on the railroads." Yes, and it will continue the process of attrition which slowly strangles the mid-West.

At their meeting in Washington last November the railroad executives decided on a definite plan of campaign against the waterways. Their insidious attacks may be seen in newspapers and magazines. Professing to favor waterways, they oppose what they term a "subsidy" in their development and operation. Yet the records of the Interior Department in Washington show that the land grants to the railroads from the Federal Government alone amounted to 158,293,376 acres, consisting of fine agricultural lands, lands valuable for grazing, lands covered with valuable timber or filled with oils and precious metals. This acreage comprises an area twenty times the size of the State of Massachusetts and as large as the original thirteen States of the Union.

In addition to this the railroads received valuable lands and other contributions from various States and subdivisions thereof.

As bearing upon the value of these lands in Minnesota, North Dakota, Montana, Washington, and Oregon, permit me to call your attention to an advertisement which the Northern Pacific Railroad inserted in the June issue, 1871, of the *Manufacturer and Builder*, a magazine published by Western & Co., 37 Park Row, New York, which reads, in part, as follows:

#### EXCERPT FROM AN ADVERTISEMENT

"The land grant of the Northern Pacific Railroad consists of 12,800 acres to each mile of track through Minnesota, and 25,600 acres per mile through Dakota, Montana, Idaho, Washington, and Oregon—the branch to Puget Sound having the same grant as the main line. The average for the whole length of the road and branch is over 23,000 acres per mile, and the total exceeds 50,000,000 acres.

"Governor Stevens, who repeatedly passed over the route, estimates that fully four-fifths of the Northern Pacific Railroad grant is good for cultivation or grazing, while much of the remainder is in the mountain belt, and is covered with valuable timber, or filled with the precious metals. With the road built through the midst of these lands, what is their money value? The lands of the Union Pacific thus far sold have averaged \$4.46 per acre; the school lands of Minnesota, \$6.30 per acre; the lands of the Illinois Central Railroad grant, \$11 per acre. At even the average of \$4 per acre, the lands of the Northern Pacific Railroad will pay for its construction and equipment, and leave the road free from debt, and one-half the lands unincumbered in the company's possession. At only \$2.50 per acre, Government price, these lands will build and equip the road, leaving it free of debt, and place a surplus of \$25,000,000 in the company's treasury."

Some of this propaganda paints the railroads as heavy taxpayers. The truth is that railroads, like other public-service corporations, merely act as tax collectors. The tax is included in the rate and passed to the shipper. The shipper is the taxpayer. The shipper, in his rates, also pays interest on the huge securities issued against the land grants converted into railroad property and capitalized by their owners.

#### THE MID-WEST PROGRAM

The program of the mid-West is as simple as it is urgent. It contemplates the speedy completion of the works of improvement ordered by Congress on the channels of the Mississippi system, and especially on the western tributaries which have been delayed in the past. The Secretary of War has promised that work on these improvements "will be continued as rapidly as sound engineering and sound economics will permit and as funds therefor are provided by Congress." And here again we meet the opposition. The program can be delayed by delaying the appropriations, and the opposition is for delay, for piecemeal work, which may continue indefinitely and leave all economic readjustments in such a state of uncertainty as to prevent investments in the work of rehabilitation and reconstruction.

They would have these projects dependent on small annual Budget appropriations, as was done in the last 25 years, and with similar results. The mid-West has suffered enough delay; it wants action; it demands a financial program which will give it the full beneficial use of these streams as soon as the engineers can complete the improvements thereon.

Roosevelt has shown the way in the construction of the Panama Canal by making available the proceeds of an internal loan, as needed, to supplement Budget appropriations and carry on the work on a scale that would insure its completion within the shortest period of time. And that is the business way, the only efficient way, of financing any adopted project.

The Shipstead-Mansfield bill, now pending in Congress, provides such a method of financing and completing all adopted river and harbor projects, including the connecting channels of the Great Lakes, within five years. This measure is timely in view of the depressed condition of the country. If passed, it will immediately furnish employment to hundreds of thousands of men; it will start in motion the wheels of industry and of transportation in manufacturing and handling the material needed in the construction of these works; it will save hundreds of millions of dollars in the primary cost of these improvements, and above all, it will remove the element of uncertainty and insure the early completion of these works for the beneficial use of the present generation.

#### UNEMPLOYMENT INSURANCE SYSTEMS

Mr. WAGNER. I desire to enter a motion. I move to discharge the Committee to Audit and Control the Contingent Expenses of the Senate from the further consideration of Senate Concurrent Resolution 36.

The PRESIDING OFFICER. The order will be entered.

#### INVESTIGATION OF POSTAL AFFAIRS

Mr. McKELLAR. I desire to enter a motion to discharge the Committee to Audit and Control the Contingent Expenses of the Senate from the further consideration of Senate Resolution 436, to investigate air and ocean mail contracts, use of mail tubes, proposed postal rate increases, and the erection of public buildings in small towns.

The PRESIDING OFFICER. That order will be entered.



## RECESS

Mr. McNARY. I move that the Senate take a recess until 11 o'clock to-morrow morning.

The motion was agreed to; and (at 5 o'clock and 32 minutes p. m.) the Senate took a recess until to-morrow, Thursday, February 26, 1931, at 11 o'clock a. m.

## NOMINATIONS

*Executive nominations received by the Senate February 25, (legislative day of February 17), 1931*

## CONSUL GENERAL

George C. Hanson, of Connecticut, now a Foreign Service Officer of class 4 and a consul, to be a consul general of the United States of America.

## APPRAISER OF MERCHANDISE

Robert E. Lee Pryor, of Tampa, Fla., to be appraiser of merchandise in customs collection district No. 18, with headquarters at Tampa, Fla., to fill an existing vacancy.

## COLLECTOR OF CUSTOMS

Edward M. Croisan, of Oregon, to be collector of customs for customs collection district No. 29, with headquarters at Portland, Oreg. (Reappointment.)

## CONFIRMATIONS

*Executive nominations confirmed by the Senate February 25 (legislative day of February 17), 1931*

## ASSISTANT SECRETARY OF THE TREASURY

Arthur A. Ballantine to be Assistant Secretary of the Treasury.

## MEMBER OF THE FEDERAL RESERVE BOARD

Eugene Meyer to be a member of the Federal Reserve Board for the unexpired term of 10 years from August 10, 1928.

## ASSOCIATE JUSTICE, SUPREME COURT OF THE DISTRICT OF COLUMBIA

James M. Proctor to be associate justice, Supreme Court of the District of Columbia.

## UNITED STATES DISTRICT JUDGE

E. Marvin Underwood to be United States district judge, northern district of Georgia.

## DISTRICT JUDGE

E. Coke Hill to be district judge, division No. 3, district of Alaska.

## JUDGE OF THE POLICE COURT, DISTRICT OF COLUMBIA

Isaac R. Hitt to be a judge of the police court, District of Columbia.

## UNITED STATES ATTORNEYS

Alexander C. Birch to be United States attorney, southern district of Alabama.

Frederick R. Dyer to be United States attorney, district of Maine.

Frederick H. Tarr to be United States attorney, district of Massachusetts.

A. V. McLane to be United States attorney, middle district of Tennessee.

## UNITED STATES MARSHAL

Osmund Gunvaldsen to be United States marshal, district of North Dakota.

## MEMBER OF THE UNITED STATES EMPLOYEES' COMPENSATION COMMISSION

Harry Bassett, of Indiana, to be a member of the United States Employees' Compensation Commission for a term of six years from March 15, 1931.

## COLLECTOR OF INTERNAL REVENUE

William Duggan to be collector of internal revenue, second district of New York.

## COLLECTOR OF CUSTOMS

Philip Elting to be collector of customs, district No. 10, New York, N. Y.

## POSTMASTERS

## ARIZONA

Arthur E. Weech, Pima.

## ARKANSAS

James F. Hudson, Lake Village.  
James G. Brown, Magnolia.

## COLORADO

John M. Deitrich, Center.  
James S. Proctor, Englewood.  
Samuel H. Leipziger, Spivak.

## DELAWARE

W. Bateman Cullen, Clayton.

## GEORGIA

Clifford J. Williams, Bainbridge.  
Lois A. Roberts, Bowman.  
Ertha Garner, Buford.  
Jacob S. Eberhardt, Carlton.  
Herman E. Malaier, Chattahoochee.  
Olivia F. Anderson, Chipley.  
Charles E. Walton, Columbus.  
Esther McCollum, Conyers.  
George B. Wilkes, Cordele.  
Herbert J. Knowles, Cuthbert.  
Robert T. Broome, Danielsville.  
John R. Barrett, Demorest.  
Dallas Thompson, Fair Mount.  
Fletcher N. Carlisle, Flowery Branch.  
Stevens R. Owen, Gordon.  
Columbus W. Fields, Hampton.  
John C. Massey, Hartwell.  
Mary F. Harris, Hogansville.  
Bessie Waldrop, Jackson.  
John L. Wilson, Locust Grove.  
Edison Harbin, McRae.  
Gertrude McCranie, Milan.  
David M. McKee, Moultrie.  
George H. Ray, Norwood.  
John T. Bird, Oxford.  
Frederick Bonner, Perry.  
Bernie C. Chapman, Porterdale.  
Dana M. Lovvorn, Richland.  
William E. Fitts, Rocky Ford.  
Thomas H. Anthony, Shellman.  
Sam Tate, Tate.  
Laurens G. Dozier, Thomson.  
E. Stelle Barrett, Union City.  
Robert Barron, Zebulon.

## HAWAII

Alfred Ornellas, Makawao.

## IDAHO

Wilber J. Selby, Eagle.

## ILLINOIS

Edwin J. Langendorf, Barrington.  
Thomas Turigliatto, Benld.  
Paul M. Green, Bluffs.  
Bert W. Gillis, Brocton.  
Orville L. Davis, Champaign.  
William S. Brownlow, Chapin.  
A. Luella Smith, Chatham.  
Harry B. Rigsbee, Downers Grove.  
Fred S. Sharp, Elburn.  
Thomas E. Richardson, Flanagan.  
Walter C. Yunker, Forest Park.  
Benjamin A. Miller, Geneva.  
Herbert L. East, Highwood.  
Syrena B. Roth, Hinsdale.  
Charles T. O'Boyle, Ingleside.  
Walter V. Berry, Irving.  
Roy F. Dusenbury, Kankakee.  
Walter F. Smith, Lake Forest.  
Blanche V. Anderson, Leland.  
Albert Krause, McHenry.  
Michael J. Moore, Maple Park.



Ruth V. Nelson, Milford.  
Robert M. Farthing, Mount Vernon.  
Edward F. Davis, New Berlin.  
Herman Meyer, Niles Center.  
Albert O. Kettelkamp, Nokomis.  
Charles F. Gaffner, Pana.  
Russell Young, Rossville.  
Mary A. Barkmeier, San Jose.  
Gerald B. Weiss, Shipman.  
Michael J. Donahue, Streator.  
William W. Renton, Wheaton.  
Emery S. Waid, Winchester.  
Joseph C. Braun, Winnetka.  
Lyman S. Graves, Wyoming.

## INDIANA

Charles E. Elkins, Bourbon.  
Burr E. York, Converse.  
Ernest J. Gallmeyer, Fort Wayne.  
William B. Hays, Garrett.  
Charles W. Foulks, Goshen.  
Ira A. Dixon, Kentland.  
Don D. Nelson, Lagrange.  
Charles H. Olinger, North Manchester.  
Howard W. Dubois, Rochester.  
Maude W. Zaring, Salem.  
Arthur Tomson, Wabash.  
Amanda B. Gosnell, West Terre Haute.

## IOWA

Judson P. Holden, Delhi.  
Wesley L. Damerow, Dows.  
Frank P. Rotton, Essex.  
William J. Campbell, Jesup.  
John G. Ranous, Keota.  
Albert L. Clark, Lanesboro.  
Karl J. Baessler, Livermore.  
Ben W. Stearns, Logan.  
Ava Rigdon, Menlo.  
Otto Anderson, Ossian.  
Charlie M. Willard, Persia.  
Clinton E. Myers, Radcliffe.  
Leila N. Horn, South English.  
Spencer C. Nelson, Tama.  
Fred A. Hall, Van Wert.

## KANSAS

Henry A. Luebbe, Horton.  
Roger M. Williams, Lansing.  
Frank E. Chapin, Minneapolis.  
John P. Pierce, National Military Home.  
Jessie I. Dickson, Neosho Falls.

## KENTUCKY

Lucille C. Yates, Grayson.  
Sister Marie M. LeBray, Nazareth.

## MAINE

George J. Gott, Brooklin.  
Ralph T. Horton, Calais.  
Alma R. Weed, Monticello.

## MARYLAND

Irving S. Biser, Frederick.

## MASSACHUSETTS

Albert Holway, Bournedale.  
William J. Lockhart, Falmouth.  
John G. Faxon, Fitchburg.  
Alice D. Robbins, Littleton.  
Henry T. Maxwell, Millbury.  
Alfred E. Smith, Nantucket.  
Edgar O. Dewey, Reading.  
Helen K. Hoxie, Sunderland.

## MICHIGAN

David A. Kooker, Ewen.  
Andrew Bram, Hancock.  
Edward Barstow, Menominee.  
Dorr A. Rosencrans, Reed City.

## MINNESOTA

John Grutsch, Avon.  
William C. Wiench, Bagley.  
John O. Gullander, Belgrade.  
Nelse Monson, Belview.  
William B. Stewart, Bemidji.  
Walter N. Ostrom, Braham.  
Raymond R. Swanson, Bronson.  
Nettie Layng, Bruno.  
Patrick M. Dunn, Caledonia.  
Walter B. Brown, Chisholm.  
John R. Forsythe, Cohasset.  
Nels A. Thorson, Crookston.  
Helmer C. Bacon, Dawson.  
Benjamin H. Peoples, Detroit Lakes.  
Gunstein D. Aakhus, Erskine.  
Odin D. Krogen, Fountain.  
James Crane, Gilbert.  
Frank H. Griffin, Good Thunder.  
William Guenther, Hokah.  
Fred G. Fratzke, Janesville.  
Marie C. Bergeson, Lake Park.  
Joseph J. Barta, Lonsdale.  
Anna Thoennes, Ogema.  
Herman O. Hoganson, Perley.  
George L. Chesley, Pipestone.  
Floyd H. McCrory, Rockford.  
Otto C. H. Heinzel, Sauk Rapids.  
Marion E. Isherwood, Sebeka.  
James W. Featherston, Staples.  
Jonas W. Howe, Stewartville.  
Christian Scott, Truman.  
Harry S. Gillespie, Virginia.  
George N. Breher, Wadena.  
William A. Clement, Waseca.  
Fred F. Campbell, White Bear Lake.

## MISSISSIPPI

Henry E. Wamsley, A. and M. College.  
Huey O. Cash, Artesia.  
Ethelbert B. Jones, Enterprise.  
William O. Thompson, Lexington.  
Laura E. Turnage, Tchula.  
Luella H. Riser, Terry.  
George O. Robinson, Tunica.

## MISSOURI

Abraham B. Peters, Bonnots Mill.  
James L. Creason, Camden.  
John R. Edwards, Dawn.  
Margaret C. Lester, Desloge.  
Owen S. Randolph, Gideon.  
Herbert S. Wilson, Hardin.  
A. Russell Little, Holland.  
Melvin Lutes, Lutesville.  
Loyd R. Kirtley, Madison.  
William E. Hodgins, Maitland.  
Lewis M. Gamble, Mexico.  
Samuel A. Chapell, Monett.  
Fred A. Grebe, New Florence.  
Dora S. Weise, New Franklin.  
Henry C. Brantley, Newtown.  
Ida F. Zeller, Oregon.  
Charles Litsch, Perryville.  
Ben B. Smith, Potosi.  
Charles A. Bryant, Richland.  
Nelle Woodall, Rushville.  
Joseph V. Forst, Silex.  
Alpha DeBerry, Stoutland.  
Athol J. Michener, St. Louis.  
Carl C. Wilson, Vandalia.  
William F. Meier, Wentzville.

## NEBRASKA

Robert W. Finley, Bradshaw.  
Elmer E. Gockley, Edison.  
Richard J. Ward, Rushville.



Harvey A. Loerch, Tekamah.  
William E. Brogan, Tilden.  
Wayne Mead, Western.

## NEW HAMPSHIRE

Philip G. Hazelton, Chester.  
Cora H. Eaton, Littleton.  
Joseph H. Geisel, Manchester.

## NEW JERSEY

Daniel A. DeVries, Carlton Hill.  
Charles G. Wittreich, Chatham.  
Elmer G. Houghton, Cranford.  
William R. Mayer, Cresskill.  
Norbert O. Simpson, Fort Hancock.  
Richard Watt, Garwood.  
Clayton E. Green, Glen Gardner.  
Milton K. Thorp, Hackettstown.  
Thomas J. Raber, Hampton.  
Wilbert F. Branin, Medford.  
Mina A. Crowell, Minotola.  
Joseph R. Forrest, Palisades Park.  
Harry Simmons, Rahway.  
Henry R. Parvin, Ramsey.  
James A. Harris, Wildwood.

## NEW YORK

Elmer A. Arnold, Burdett.  
Florence J. Davis, Cold Brook.  
Alger Davis, Munnsville.  
Robert A. Lundy, Ray Brook.  
Albert A. Patterson, Willsboro.

## NORTH CAROLINA

Theophilus H. McLeod, Buies Creek.  
William R. Freshwater, Burlington.  
William H. Parker, Carrboro.  
Walling D. Vreeland, Fort Bragg.  
Jasper R. Guthrie, Graham.  
Elinor C. Cleaveland, Highlands.  
Giles B. Goodson, Lincolnton.  
Luther J. Tucker, Maxton.  
Don H. Gosorn, Old Fort.  
Samuel W. Watts, Southport.  
Montgomery T. Speir, Winterville.  
William F. Outland, Woodland.

## OHIO

Linden C. Weimer, Dayton.  
Lenna E. Seaver, Dorset.

## OKLAHOMA

Otis C. Reed, Blanchard.  
Isaac N. Ferguson, Harrah.

## PENNSYLVANIA

George R. Steiger, Albion.  
Whitfield Pritchard, Bangor.  
John D. Moll, Bernville.  
George C. Noblit, Brockway.  
James C. Whitby, Bryn Mawr.  
William Z. Mahon, Carlisle.  
Patrick S. Lomire, Coalport.  
Charles E. Taylor, Columbia.  
William D. First, Conneaut Lake.  
Earl H. Hilgert, Cresco.  
Charles E. Ehrhart, Dallastown.  
William E. Mutthersbough, Driftwood.  
Joseph A. Hanley, Erie.  
Winfield S. Smathers, Girard.  
Thomas F. Fenstermacher, Halifax.  
Liola R. Thoman, Hatboro.  
Fred Etnier, Huntingdon.  
Daniel M. Saul, Kutztown.  
Edwin W. Dye, Lawrenceville.  
George B. Stevenson, Lock Haven.  
John H. Miller, Marietta.

Ira A. Dinger, Mayport.  
Shem S. Aurand, Milroy.  
Myles D. Hippensteel, Nescopeck.  
James I. Decker, New Freedom.  
Luna J. Sturdevant, North Warren.  
Paul C. Rupp, Pitcairn.  
Wade H. McKinley, Polk.  
Moses C. Holtzinger, Red Lion.  
Wallace C. Dobson, Southampton.  
Anthen C. Messinger, Tatamy.  
Hugh T. Williams, Union Dale.  
William H. Smith, Valencia.  
Russell C. Parry, Walnutport.  
John W. Munnell, Waynesburg.  
George S. J. Keen, Wiconisco.  
Annie H. Washburn, Wyncote.  
Nathaniel B. Klinedinst, York.  
Elmer E. Brunner, York Haven.

## PORTO RICO

Jenaro Vazquez, Central Aguirre.

## RHODE ISLAND

May B. Lamb, Greenville.

## SOUTH CAROLINA

Thomas E. Stokes, Darlington.  
Fred Mishoe, Greelyville.  
John H. Payne, Johnston.  
Otis L. Edwards, Saluda.  
Mary C. Price, Whitmire.

## SOUTH DAKOTA

Bessie A. Drips, Gannvalley.  
Israel R. Krause, Java.  
Benjamin W. Ryan, Kimball.  
Charles E. Smith, Lemmon.  
Arnold Poulsen, Lennox.  
Albert P. Monell, Stickney.  
Frank E. Stephan, Tolstoy.  
Olof Nelson, Yankton.

## TENNESSEE

Sam A. Winstead, Dresden.  
Edward C. Roberts, Harriman.  
William T. Starbuck, Hohenwald.  
Joseph R. Mitchell, Mascot.  
Rufus C. Thompson, Milan.  
Conley Collins, Morristown.  
Methyr G. Booth, Oliver Springs.  
Claris E. Akin, Rutherford.  
Alice M. Greer, Sunbright.  
Michel K. Freeman, Westmoreland.  
Edgar S. Childers, Whitwell.

## TEXAS

Mildred A. Wilder, George West.  
Trevor W. Powell, Channing.  
Peter W. Henry, Henrietta.  
Harry B. Strong, Iredell.  
Leroy H. Perry, Spur.  
Perry Wendtland, Yoakum.

## UTAH

Emerson B. Nason, Soldiers Summit.

## VERMONT

Bernard W. Crafts, Bradford.  
William B. Needham, Bridgewater.  
Earle H. Fisher, Danville.  
George H. Millis, Groton.  
William C. White, Northfield.  
Preston C. Skinner, Orleans.  
Ruth S. Sheldon, Pawlet.  
Cecil K. Hughes, Saxtons River.

## VIRGINIA

Francis A. Haynes, Barboursville.  
J. Gratt Gillespie, Bluefield.



Edwin L. Toone, Boydtown.  
 William D. Austin, Buena Vista.  
 Blodwyn R. Jones, Cambria.  
 Agnes L. Ivey, Catlett.  
 Mary I. Wight, Charlotte Court House.  
 Rankin L. Emory, Chase City.  
 Gatewood L. Schumaker, Covington.  
 Blanche M. E. Harris, Crozet.  
 John W. Delaplane, Delaplane.  
 Daniel V. Richmond, Ewing.  
 Gunyon M. Harrison, Fredericksburg.  
 John D. Williamson, Fries.  
 Margaret I. Lacy, Halifax.  
 Robert A. Anderson, Marion.  
 Auburn L. P. Corder, Norton.  
 George W. Horton, Pennington Gap.  
 Ruth J. Stanley, Stanleytown.  
 Harry E. Marshall, Thaxton.

## WASHINGTON

Fred W. Hoover, Eatonville.  
 Levi H. Niles, Ephrata.  
 Tolaver T. Richardson, Northport.  
 John F. Samson, Oroville.  
 James F. Greer, Pe Ell.  
 Andrew J. Cosser, Port Angeles.  
 Sydney Relton, Richland.  
 Jessie A. Knight, Shelton.  
 Edward Hinkley, Snohomish.  
 Clyde J. Backus, Tacoma.  
 Augustus B. Eastham, Vancouver.  
 Elmer M. Armstrong, Washougal.  
 Matthew W. Miller, Waterville.  
 Ira S. Fields, Woodland.

## WEST VIRGINIA

David C. Garrison, Morgantown.  
 Harry R. Tribou, Tams.

## WISCONSIN

Harry T. Ketcham, Abbotsford.  
 Ora C. Thompson, Argyle.  
 Joseph R. Frost, Avoca.  
 Henry J. S. Hanson, Bayfield.  
 Gleason E. Stoddart, Beaver Dam.  
 Nicholas Hubing, Belgium.  
 Floyd D. Bartels, Blue River.  
 Leon F. Pallister, Brandon.  
 Henry R. Pruemers, Burlington.  
 Elden T. Bentsen, College Camp.  
 Bernard A. Faust, Cross Plains.  
 Annie E. Nelson, Dresser Junction.  
 James W. Carlisle, Durand.  
 Richard J. Hansen, Elcho.  
 Ida Englesby, Eleva.  
 Albert L. Marsh, Elroy.  
 Grace E. Skinner, Endeavor.  
 Edward Schroeder, Granton.  
 Andrew J. Bosch, Gratiot.  
 Albert Liebl, Luxemburg.  
 Robert J. Harland, Marshall.  
 James D. Nicholson, Milltown.  
 Stephen S. Summers, Milton.  
 George B. Keith, Milton Junction.  
 Earle R. Schilling, Minocqua.  
 Carl V. Dahlstedt, Port Wing.  
 Louis A. Busse, Reedsville.  
 Cornelius P. Shea, St. Nazianz.  
 Charles L. Wolf, Sharon.  
 Susan D. Olson, Siren.  
 Joseph E. Kuzenski, Stetsonville.  
 John M. Albers, Thiensville.  
 Alphonse R. Eichman, Trempealeau.  
 Joseph F. Matts, Verona.  
 Mathias F. Adler, Waunakee.  
 Adolph C. Sveen, Westby.

## HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 25, 1931

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

When we lift our thoughts and affections to Thee, Heavenly Father, we know that Thou art there. We would join the choral melody of the universe and ascribe honor and power, dominion and glory unto Him who sitteth upon the throne. O God, enable us to be courageous in every cause that is just, for there is no legacy richer than honesty. We have the power to stand and we have the power to fall, but ours is the divine right to stand. The Lord God help and support us. O it is fair fortune that extends her hand to the one of honest might. Succor those who may be in danger; break the snare for those who might fall and let the innocent go free. Abide with us, so that we shall be patient under trials, strong under burdens, and full of faith under clouds. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 9224. An act to authorize appropriations for the construction of a sea wall and quartermaster's warehouse at Selfridge Field, Mich., and to construct a water main to Selfridge Field, Mich.;

H. R. 15071. An act to authorize appropriations for construction at Plattsburg Barracks, Plattsburg, N. Y., and for other purposes; and

H. R. 15437. An act to authorize appropriations for construction at Tucson Field, Tucson, Ariz., and for other purposes.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 5644. An act to amend the act entitled "An act to authorize and direct the survey, construction, and maintenance of a memorial highway to connect Mount Vernon, in the State of Virginia, with the Arlington Memorial Bridge across the Potomac River at Washington," approved May 23, 1928, as amended;

S. 6231. An act to amend the act approved June 20, 1930, entitled "An act to provide for the retirement of disabled nurses of the Army and the Navy"; and

S. J. Res. 112. Joint resolution concerning a bequest made to the Government of the United States by S. A. Long, late of Shinnston, W. Va.

The message also announced that the Senate disagrees to the amendment of the House to the joint resolution (S. J. Res. 3) entitled "Joint resolution proposing an amendment to the Constitution of the United States fixing the commencement of the terms of President and Vice President and Members of Congress and fixing the time of the assembling of Congress," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. NORRIS, Mr. BORAH, and Mr. WALSH of Montana to be the conferees on the part of the Senate.

## STOCK-RAISING HOMESTEADS

Mr. COLTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3820) to amend section 1 of the act entitled "An act to provide for stock-raising homesteads, and for other purposes," approved December 29, 1916, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. The Clerk will report the bill and Senate amendments.

The Clerk read the title of the bill and the Senate amendments, as follows:

Page 2, lines 5 and 6, strike out "other than naval petroleum reserves."